

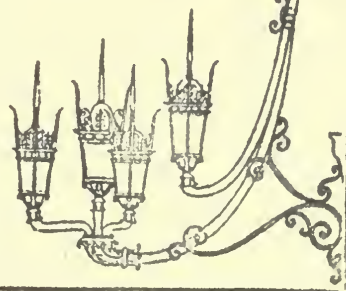
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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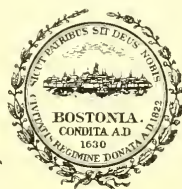
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& COUNTY OF SUFFOLK

FISCAL YEAR ENDED

JUNE 30, 1988

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AUDITING DEPARTMENT

LEON P. STAMPS • CITY AUDITOR

Cover Photograph: Boston's Skyline Overlooking the Charles River.



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
CITY OF BOSTON AND COUNTY OF SUFFOLK



For the Year Ended  
June 30, 1988

RAYMOND L. FLYNN, MAYOR

Prepared by  
Auditing Department

LEON P. STAMPS  
City Auditor

**City of Boston and County of Suffolk  
Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 1988**

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INTRODUCTORY SECTION





City of Boston and County of Suffolk  
Auditing Department

*Honorable Mayor and the Members of the City Council:*

In accordance with the requirements of the City Charter, I hereby submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Boston and County of Suffolk for the fiscal year ended June 30, 1988. To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes the organizational chart of the City, a list of principal officials, this letter of transmittal and financial highlights. The financial section includes the general purpose financial statements (GPFS) and notes and the combining and individual financial statements and schedules for all governmental and proprietary funds. The statistical section includes selected demographic and financial information, presented on a multiyear basis.

The City is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Due to the size and intricacy of the City's financial system, the single audit report is issued separately from the financial report and submitted directly to the U.S. Department of Education, our cognizant agency. Copies are made available upon request.

The City provides a wide range of services. The major service areas are police and fire protection; schools; libraries; parks and recreational services; property and development; and public health services. The City of Boston also funds certain employee benefits, pays for state assessments and fulfills debt service requirements. In addition, the Governmental Accounting Standards Board (GASB) requires that all other activities the City has oversight responsibility for, be included in the reporting entity. The City's component units include the State-Boston and Boston Retirement Systems, the Boston Redevelopment Authority, Trustees of Health and Hospitals of the City of Boston, and the Economic Development and Industrial Corporation of Boston. The Boston Industrial Development Finance Authority and the Boston Water and Sewer Commission have not met the established criteria for inclusion, and accordingly have been excluded from this report.

## ECONOMIC CONDITION AND OUTLOOK

The City of Boston is the economic nucleus of both the Commonwealth of Massachusetts and the New England region, providing high technology, business services, medical, higher education, and public utility services. The City also serves as a significant cultural, governmental, and transportation center. In addition, the City of Boston is also the historical center of the State, with approximately 8.6 million people visiting the greater Boston area during 1987. The Greater Boston Convention and Visitors Bureau estimates these visitors had an economic impact upon greater Boston of \$5.5 billion in hotel accommodations, meals, entertainment, shopping, transportation, and other services.

With a population of 573,600 and 619,460 jobs in 1988, the ratio of jobs to population was second highest, surpassed only by Washington, D.C. according to the U.S. Bureau of the Census. Unemployment in the City has decreased significantly from 6.1 percent in 1980 to 3.4 percent in March of 1988, while the national average was 5.9 percent. Accompanying the steady growth in employment, the rise in economic activity and the drop in the jobless rate, are concerns over a possible regional labor shortage and an increase in the cost of living that exceeds that of the nation.

There are a number of issues with which the City will have to cope with in the coming years. These issues include but are not exclusive to: depression of the Central Artery, a major thoroughfare in the City and the building of a third tunnel crossing underneath Boston Harbor; financing and rebuilding Boston City Hospital, the flagship of the City's Department of Health and Hospitals; increases in care for the homeless; and providing affordable day care facilities.



## MAJOR INITIATIVES

### For the Year

The City has developed an equipment acquisition program that will finance the acquisition of communication equipment, motor vehicles, and other capital assets for various City departments. This was accomplished through master installment sale agreements, with the installment payments made from departmental budgets, subject to annual appropriation. The program, which is financed with Certificates of Participation, allows for the procurement of property through a financing vehicle at lower than vendor-financed levels, while not incurring general obligation debt.

The Office of Capital Planning (OCP) has measured the existing condition of the City's capital structure, forecasted the timing and financial requirements of new construction and rehabilitation, and has recommended allocation of current and future resources to meet the City's capital requirements. OCP's third and most recent capital plan, *Rebuilding Boston: a Five-Year Capital Plan*, identifies \$920 million in capital projects to be constructed through 1992.

During fiscal 1988, the Office of Budget and Program Evaluation established the "Boston Works Smarter Program," whereby, City employees are encouraged to submit suggestions to improve City services and enhance effectiveness and efficiency of employee job performance. Through the efforts of this program, the City has benefitted tremendously from the employee suggestions implemented throughout the year.

The City and the Boston Edison Company (Edison) and the Boston Gas Company, two of the City's largest taxpayers, in separate cases entered into settlement agreements concerning pending tax abatement cases. Under the terms of the settlements, the City will pay Edison approximately \$7 million each year for six years, and \$2.6 million each for five years to Boston Gas Company. Both utilities have agreed that certain future additions and retirements of property will be taxed at a fair cash value reducing the likelihood of any further tax abatement cases being litigated between the City and the utilities in future years. As a result of these favorable settlements the City reduced its abatement liability and has recognized \$76 million in additional property tax revenues for the year.

### For the Future

*The Central Artery/Third Harbor Tunnel Project.* In 1985, the Federal Highway Administration (FHWA) approved a plan to alleviate congestion on Boston's I-93 central artery. This project, which began with initial public design hearings held in 1988, is scheduled to be completed by 1998. The two major components of this project are: (1) replacement of the six-lane elevated section of I-93 central artery with a new eight- to ten-lane road, mostly underground; and (2) extension of the I-90 Massachusetts Turnpike via a Seaport Access Road and a four-lane tunnel underneath Boston Harbor. The cost of this ten-year project is estimated to be \$4.4 billion supported with funds from sources other than the City, however, the City may incur some level of expenditure for support services. According to the project's Final Environmental Impact Statement (FEIS), transportation benefits derived from these projects will be: a reduction in congestion on the central artery; a 40 percent reduction in accident rates; diversion of an estimated 40,000 vehicles from local streets back to the interstate system. Other potential benefits to be derived are: an average 7,700 construction and related jobs per year; twenty-two acres of new commercial land; and 9,400 new permanent jobs created as a result of new development over the depressed artery; and significantly reduced air and noise pollution.

The Office of Capital Planning is formulating a long-range capital improvements plan in order to define needs and identify resources through and beyond the year 2000. The goal is to develop long-range solutions for the City's capital needs and to develop plans to meet those future obligations. These undertakings range from the construction of roadways, renovations of school buildings, replacement of fire-fighting apparatus to construction of the new Boston City Hospital.

The administration of the City of Boston is strongly committed in providing assistance to treat victims of AIDS. Budget proposals call for increased funding for the AIDS program with an additional \$1.2 million, which will provide approximately \$3 million for fiscal 1989. These monies will be expended in such areas as inpatient services, outreach programs, counseling services and medical supplies.

## FINANCIAL INFORMATION

### Accounting and Administrative Controls

The City Auditor is responsible for establishing and maintaining internal control procedures which are designed to ensure that the assets of the City are protected from loss, theft or misuse and can be relied upon to compile financial data to produce financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City Auditing Department's ability to track standard accounting functions has been enhanced through the acquisition of the Local Government Financial System (LGFS). This computerized financial management and accounting system has provided the City with an increased level of budgetary control over its financial resources. The operations of each fund are accounted for with a set of self-balancing accounts. These accounts are maintained on a budgetary basis, in accordance with the requirements promulgated by the Commonwealth's Department of Revenue; as mandated by Chapter 44 of the Massachusetts General Laws.

### Budgetary Systems and Controls

In fiscal 1988, the Office of Budget and Program Evaluation (OBPE) implemented a program-based budgeting system and identified discrete major departmental functions (programs) to which proposed funds are now appropriated. Program budgeting focuses on specific program objectives and the attainment of those objectives. This process is facilitated by the systematic accumulation and analysis of key data that indicate the level and quality of services, the cost effectiveness of programs and the apportionment of resources. Through this new budgeting system, OBPE is able to hold departments accountable for their delivery of City services. The Auditor's Office also maintains an encumbrance accounting system as another technique to adhere to the budgetary controls set forth. As mandated by the Funding Loan Act of 1982, the City Auditor has instituted a quarterly allotment system to avert overspending of departmental and School Department payroll expenses.

### Single Audit

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to comply with applicable laws and regulations related to federal financial assistance which it receives. This internal control structure is subject to periodic review and evaluation by management and the City Auditor. As part of the single audit, as described earlier, tests are made to determine the adequacy of the City's accounting and administrative control systems and compliance with applicable laws and regulations to those programs.

### General Government Revenue Summary

The City's revitalized economy, increases in State distributions, high levels of taxable new development, new local option excises, and more aggressive collection of departmental receipts have resulted in significant growth in revenues. However, because of recent changes in national policy, Federal aid received by the City has declined dramatically, which represents an annual loss to the City of approximately \$18 million. The City generated total revenues of \$1.2 billion during fiscal 1988, representing an increase of 6.7 percent over the amount of \$1.1 billion received during fiscal 1987. Real and Personal Property tax revenues and state aid from the Commonwealth of Massachusetts continued to be the two most significant sources of revenue, comprising in aggregate approximately 70 percent of the total General Fund revenues for fiscal 1988. Overall, actual revenues and other available funds exceeded their budgeted amounts by \$11.5 million. This being the fourth consecutive year that the city has experienced a revenue surplus.

The table and graphs below presents a summary of the General Fund revenues on a budgetary basis for the year ended June 30, 1988, and the amount and percentage of increases and decreases compared to June 30, 1987.

**REVENUES CLASSIFIED BY SOURCE**  
(Non GAAP Budgetary Basis)  
(in millions of \$)

Source	1988		1987		Increase (Decrease) from 1987	
	Amount	%	Amount	%	Amount	%
Real and Personal Property Taxes	\$425.5	34.8	\$391.5	34.2	\$34.0	8.7
Motor Vehicle Excise Taxes	15.4	1.3	15.8	1.4	(0.4)	(2.5)
Other Excise Taxes	24.6	2.0	23.7	2.1	0.9	3.8
Departmental Revenues	42.1	3.4	33.4	2.9	8.7	26.1
Hospital Income	147.3	12.0	142.7	12.5	4.6	3.2
State Distributions	437.4	35.8	409.8	35.8	27.6	6.7
Payments in Lieu of Taxes	17.7	1.4	17.5	1.5	0.2	1.1
Parking Fines	40.6	3.3	36.8	3.2	3.8	10.2
Investment Income	20.9	1.7	19.5	1.7	1.4	7.0
Licenses and Permits	20.0	1.6	18.6	1.6	1.4	7.3
Other Available Funds	28.2	2.3	36.8	3.2	(8.6)	(23.3)
Sale of Property	3.7	0.3	0.0	0.0	3.7	—
Total Operating Revenues	<u>\$1,223.3</u>	100.0	<u>\$1,146.1</u>	100.0	<u>\$77.2</u>	6.7

Revenue Changes by Source

*Real and Personal Property Taxes.* Property Tax revenue has changed from Boston's major source of revenue at 57.5 percent of total revenues in fiscal 1981 to the second largest source representing 34.8 percent in fiscal 1988. Revenues for fiscal 1988 were \$425.5 million, or 8.7 percent higher than the prior year's receipts of \$391.5 million. This increase in property tax revenues was primarily due to the City's efforts in collecting both current and delinquent taxes, as well as the increased taxable property base, a direct effect of the economic prosperity experienced in both the City and the State.

*Motor Vehicle Excise.* Over the past several years, the motor vehicle excise tax has exhibited steady growth. In part, growth was directly related to the State's improved economy which resulted in increased employment opportunities and higher wages. Also, collection programs designed to eliminate delinquent tax accounts from prior years has contributed to increased revenue. Receipts from Motor Vehicle Excise Tax have risen from \$7.5 million in fiscal 1983 to \$15.4 million in fiscal 1988. However, when compared to fiscal 1987 collections of \$15.8 million, there is a slight decrease of \$400 thousand.

*Local Excise.* In 1985, State legislation was enacted which authorized two local option excise taxes. One option provides for a local room-occupancy excise tax at a rate of up to 4 percent of the total amount of rent for each occupancy. The other option provides for an excise tax on the sale or use of jet fuel at a rate of 5 percent of the average sales price, but not less than five cents a gallon. These taxes represent the City's first new local revenue sources since the introduction of the Motor Vehicle Excise Tax in 1928. Revenues received during fiscal 1988 were \$24.6 million, as compared to \$23.7 million in fiscal 1987. This represents a 3.8 percent increase. Since 1986, the City of Boston has received over \$40 million from these sources. The local option excise taxes play an important role in the City's efforts to diversify revenue sources to further insulate the City against economic fluctuations.

*Departmental Revenue.* Revenues for fiscal 1988 have increased by \$8.6 million to \$42.1 million, this represents a 26.1 percent increase over fiscal 1987 collections of \$33.4 million. The significant sources include penalties and interest on property assessments, registration of deeds, parking facilities fees, and the State's rental and reimbursement to City for Suffolk County courthouses.

*Hospital Income.* Revenues derived from or on account of the City's Department of Health and Hospitals for 1988 amounted to \$147.3 million compared to revenues for fiscal 1987 of \$142.7 million or an increase of 3.2 percent. For the upcoming fiscal year, the City anticipates a modest degree of growth for Health and Hospitals' income.

*State Distributions.* State aid has increased significantly since 1980, it has gone from being less than a quarter of total General Fund revenues to more than one-third. The increase was largely a response to property tax reductions mandated by Proposition 2½. For fiscal 1988, State aid to all municipalities in the aggregate was \$2.8 billion, of which the City received \$437.4 million for General Fund purposes. This reflected an increase of \$27.6 million from a total of \$409.8 million received in fiscal 1987.



*Payments in Lieu of Taxes.* Approximately three-quarters of payments in lieu of taxes come from Chapter 121A corporations (major universities and hospitals located in the City). In addition, there are over a dozen non-profit entities which have entered into an agreement with the City on payment in lieu of taxes. Revenues collected from these sources amounted to \$17.7 million during fiscal year 1988, a moderate increase of 1.1 percent from fiscal 1987 receipts of \$17.5 million.

*Parking Fines.* The City has managed an increasingly effective and efficient program of parking fine collections. On September 1, 1981, the City established the Office of the Parking Clerk pursuant to State legislation, and took steps to improve parking enforcement and collection of fines. A few of the methods utilized by the City's Parking Clerk include denial of registration or license renewal until parking fines are paid, increased booting and increased issuance of fines for public safety violations. As a result, total fiscal 1988 fine receipts jumped to \$40.6 million, a \$3.8 million, or 10.2 percent increase over last year's collections of \$36.8 million.

*Investment Income.* In recent years the City has generated significant amounts of investment income. Investment income in fiscal 1988 and in fiscal 1987 was \$20.9 million and \$19.5 million, respectively. Primarily prevailing interest rates and average daily cash balances were the determining factors to this increase.

*Licenses and Permits.* The City has experienced a dramatic upswing in building permit revenue from fiscal 1988 onward. This is due directly to surge in development that has taken place in Boston over the last several years. The building boom has been broad-based, including both new office towers downtown and residential renovations in the neighborhoods. The Inspection Services Department has increased efforts to prevent the practices of contractors attempting to build without permits or applying for permits with artificially low, project estimates, resulting in better collection rates and more accurate estimates of building projects. Revenues in fiscal 1988 were \$20 million, an increase of 7.5 percent over fiscal 1987, receipts of \$18.6 million.

*Other Available Funds.* This particular revenue source decreased by \$8.6 million, primarily due to the loss of Federal Revenue Sharing monies during fiscal 1988.

*Sale of City Property.* The City recognized \$3.7 million during fiscal 1988 for sale of city property. No sales of property owned by the City were made in fiscal 1987.

#### General Government Expenditure Summary

As originally proposed, fiscal 1988 City and County appropriations were increased approximately 5 percent, somewhat lower than in prior years, to reflect the State-wide slowdown in overall revenue collections that support most City appropriations. Actual expenditures incurred in fiscal 1988 in the operating fund amounted to \$1.2 billion an \$83.8 million or 7.5 percent increase over fiscal 1987. Similar to fiscal 1987, the larger, more significant increases in expenditures were proportionate to the areas consistently absorbing 50 to 60 percent of the annual budget. These essential areas including Schools, Health and Hospitals, Public Safety, and Public Works consumed approximately 62 percent of the fiscal 1988 total of expenditures, of the \$1.2 billion expended in fiscal 1988, the lion's share of approximately 63 percent, provided for employee salaries and health and retirement benefits. Collective bargaining agreements and other union contracts resulted in a 6 percent increase in total wages and salaries from fiscal 1987 to fiscal 1988. Of the remaining expenditures 8.4 percent was expended for contractual services, 9 percent for current charges and obligations, 6.8 percent provided for debt service, 3.5 percent for supplies and materials, 2.8 percent for equipment and 6.5 percent for other miscellaneous expenditures. Overall, for fiscal 1988 appropriations were exceeded by approximately \$4.7 million. The major areas that exceeded their budgets were schools, by \$6.9 million and retirement contributions, by \$4.5 million. However, overall savings in many other areas across the City offset this \$11.4 million deficit by almost \$7 million, resulting in an overall appropriation deficit of \$4.7 million.

The table and graphs below presents a summary of the General Fund expenditures on a budgetary basis for the year ended June 30, 1988, and the amount and percentage of increases and decreases compared to June 30, 1987.

**EXPENDITURES CLASSIFIED BY MAJOR SERVICE AREA**  
**(Non GAAP Budgetary Basis)**  
**(in millions of \$)**

Source	1988		1987		Increase (Decrease) from 1987	
	Amount	%	Amount	%	Amount	%
General Government	\$ 48.1	4.0	\$ 48.7	4.9	(\$ 0.6)	(1.3)
Human Services	6.2	0.5	6.0	0.5	0.1	2.0
Public Safety	209.5	17.4	186.4	18.6	23.1	12.4
Public Works	64.9	5.4	59.5	5.3	5.4	9.1
Property and Development	25.7	2.1	23.3	2.1	2.4	10.4
Parks and Recreation	14.2	1.2	10.8	1.0	3.4	31.5
Library	20.7	1.7	17.6	1.6	2.6	14.5
Schools	318.6	26.4	290.0	25.9	28.6	9.8
Health and Hospitals	157.2	13.0	140.8	12.6	16.5	11.7
County Corrections	25.1	2.1	22.2	2.0	2.9	13.2
Judgments and Claims	3.4	0.3	4.7	0.4	(1.3)	(28.2)
Employee Benefits	40.7	3.4	37.4	3.3	3.4	9.0
Retirement Costs	142.8	11.8	143.7	12.8	(1.0)	(0.7)
Debt Requirements	82.6	6.9	85.3	7.6	(2.7)	(3.1)
State Assessments	46.3	3.8	45.2	4.0	1.1	2.3
Total Expenditures	<u>\$1,205.4</u>	100.0	<u>\$1,121.7</u>	100.0	<u>\$83.8</u>	7.5

*General Government.* The \$48.1 million expended during fiscal year 1988 for general government administrative services decreased slightly by \$600,000 compared to fiscal 1987 expended amount of \$48.7 million. This exemplifies the City's commitment in maintaining balanced budgets and providing adequate services.

*Public Safety.* Expenditures for public safety increased by \$23.1 million to \$209.5 million, a 12.4 percent increase over the prior year. This increase represents the implementation of several innovative programs and initiatives undertaken by the Police, Fire, Inspectional Services and Traffic Departments. These initiatives include the expansion of the Drug Control Unit, implementation of neighborhood-based plan patrol, department-based towing program and abandoned-vehicle removal program. Additionally, a new police station was constructed along with acquisition and upgrade of various classes of equipment including a "911" communication response system. There were also significant increases in the staffing levels of each department coupled with substantial salary increases relative to new and existing collective bargaining increases.

*Public Works.* The \$5.4 million increase brought the expenditures for public works to \$64.9 million for fiscal 1988, a 9 percent increase over fiscal 1987. Contributing to this increase were an expanded street sweeping and street repairing program along with the acquisition of specialized equipment. Also, there was an increase in staffing levels necessary for implementation of the expanded programs.

*Property and Development.* Several new programs and systems contributed to the 10.4 percent increase in the level of expenditures for fiscal 1988, with well over 200 projects at various stages of development, additional or enhanced systems such as a cable-based security and a evaluation system for property disposition was introduced. Increases were also attributable to community service projects relative to nutrition, education, child care, recreation, and the elderly.

*Libraries.* The Libraries incurred \$20.2 million in expenditures in fiscal 1988, a \$2.6 million increase over fiscal 1987's \$17.6 million. That 14.5 percent increase allowed the Library to expand its audio-visual resources, permit additional hours, hire new librarians, provide building and structural repairs, and expand the book circulation system.

*Parks and Recreation.* Indicative of the 31.5 percent or \$3.4 million increase in expenditures from fiscal 1987 to fiscal 1988, have been the efforts undertaken to revitalize the City's parks and playgrounds. Implementation of a park and playground maintenance program, development of a human resource program, centralization of a park inventory system and implementation of a re-planting tree program are partially attributable for an increase in expenditures of over 90 percent in just the last two fiscal years. Increases in overall salaries and staffing levels has also substantially contributed to the escalation in expenditures.



*Human Services.* The total amount expended this year was \$6.2 million compared to \$6 million for fiscal 1987. Several factors contributed to the \$200,000 increase in this year's expenditures. Primarily, the administrative costs for the Rent Equity Board increased, due to a special emphasis on complying with the City's Rent Equity Ordinance (Chap. 34 of the Acts of 1984). In addition, the administrative costs for the Commission on Affairs of the Elderly increased.

*Schools.* The City has demonstrated its commitment to education through its financial support. Spending in fiscal 1988 totalled \$318.6 million, a \$28.6 million, or 9.8 percent increase over fiscal 1987. Through this increased funding the School Department was able to purchase more school supplies, institute drop-out prevention programs and increase its attention to school building maintenance.

*Health and Hospitals.* Boston City Hospital, Long Island Chronic Disease, and Mattapan Chronic Disease Hospitals provide health care services for over 230,000 outpatients and 17,000–18,000 inpatients, half of whom are uninsured or indigent and are not able to pay for the medical care provided. In addition to these patients and services, funding was provided to establish an infant mortality program, an AIDS Action Committee with 90 percent increase in funding over the prior year and an increase in the shelter program at Long Island Hospital. The costs of health care continued to spiral upward resulting in an 11.7 percent increase in the total level of spending for all programs in fiscal 1988. The total amount expended during fiscal 1988 of \$157.2 million represented 13 percent of all operating expenditures this year.

*County Corrections.* The City provides funds for the maintenance and operations of registry, judicial and penal facilities for Suffolk County. During fiscal 1988, the City expended \$25.1 million on behalf of Suffolk County for operations of the Penal Department, Registry of Deeds, the Courthouse and Suffolk County Jail. That expenditure represents a 13.2 percent increase in fiscal 1988 over fiscal 1987 and reflects efforts to improve medical services, install metal detectors and provide repairs to the building and structures.

*Contributions to Retirement.* Expenditures for retirement costs reduced by approximately \$1.0 million, from \$143.7 million in fiscal 1987 to \$142.8 million in 1988.

*Employee Health Benefits.* The costs of providing health insurance to current City employees and City retirees for fiscal 1988 totalled \$40.7 million, a 9 percent increase over the \$37.4 million cost in fiscal 1987. Increased health care costs, expansion of the Risk Management Office and implementation of an "Employee Wellness Program" were the main reasons for the increased spending level.

*Judgments and Claims.* Expenditures declined over the period from \$4.7 million in fiscal 1987 to \$3.4 million in fiscal 1988. The reason for this decrease was that fewer cases were settled during fiscal 1988.

*State and District Assessments.* Fiscal 1988 expenditures of \$46.3 million represented a 2.3 percent increase over the previous fiscal year. This \$1.1 million increase in expenditures relative to the City's allocation of costs associated with services provided by the State and other authorities reflect a higher overall cost of services provided.

*Debt Requirements.* The City's debt service costs for fiscal 1988 was \$82.6 million representing 6.9 percent of all expenditures and a decrease over fiscal 1987 of 3.1 percent or \$2.7 million. Although \$6.2 million of General Obligation Minibonds were matured and redeemed in the year, the decrease in expenditures reflects the favorable market conditions and the good credit rating of the City at the time of the initial public offerings which resulted in lower interest payments.

*General Fund Balance.* The fund equity of the General Fund has increased dramatically as a result of the City's continued efforts to maintain balanced budget operations. At the end of fiscal 1988 the fund equity position had increased to \$119.9 million from \$65.2 million in fiscal 1987.

*Debt Administration.* The direct debt of the City consisted of principally general obligation bonds outstanding. The components of this indebtedness include serial bonds and term bonds, during fiscal 1988 the City had not issued revenue anticipation notes.

In recognition of the City's improved financial condition, the investment rating services of Standard and Poor's Corporation and Moody's Investors Service have upgraded the City's credit rating to A – and A, respectively.

*Pension Assistance.* The City participates in a contributory retirement system, the State-Boston Retirement System (S-BRS), which is a cost-sharing, multiple-employer public employee retirement system established under the General Laws of the Commonwealth of Massachusetts providing pension benefits to retired employees. In addition to S-BRS, the Boston Retirement System is funded by the City for those active and retired members whose employment commenced prior to 1946. The City annually contributes an amount certified by the Public Employee Retirement Administration (PERA) as its share of the costs. A comparison of accumulated plan benefits and plan net assets as of June 30, 1988, has been included in Note 12 of the General Purpose Financial Statements.



*Cash Management.* The City of Boston maintains a cash and investment pool that is available for use by all funds, with the exception of trust funds, bond proceeds and certain grants. This general fund investment pool optimizes income while at the same time, ensures sufficient liquidity and safeguards against exposure.

The General Laws of the Commonwealth of Massachusetts Chapter 41, Section 55 sets out a list of approved investments of which the City can avail itself. The list includes securities of the U.S. Government or any of its agencies thereof, repurchase agreements that are collateralized by the same, certificates of deposits, commercial paper, or participation units in a combined investment fund under M.G.L. Chapter 29, Section 28a (public administered mutual funds).

The City of Boston's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Investment plans and vehicles are tied into its cash flow projections. This strategy provides for both transactional cash needs and time deposits at higher yields. All deposits are done during the day and to the banking institution which will clear the funds for the City's available use as quickly as possible. This system reduces the cash on hand and increases the amount of investments. All deposits are either collateralized or insured by Federal Depository Insurance Company and/or Deposit Insurance Fund of Massachusetts.

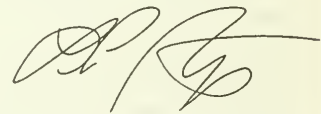
#### OTHER INFORMATION

*Independent Audit.* Massachusetts State Law requires an annual audit of the City's financial statements by independent certified public accountants. The accounting firm of Peat Marwick Main & Co., CPAs, have performed in this capacity since fiscal 1984. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. In addition to the requirements set forth in state statutes the audit also meet the guidelines of the federal Single Audit Act of 1984 and related OMB Circular A-128.

*Acknowledgements.* The preparation of this report has been accomplished through the professional and dedicated services of the Auditing Department. I wish to express my appreciation to all members of the department who contributed to its preparation. I would also like to thank all City departments and divisions for their cooperation throughout the year. In addition, I and the members of my staff are grateful for the invaluable guidance provided by the staff of our independent auditors.

Finally, I thank Mayor Raymond L. Flynn, members of the City Council, and the Audit Committee for their continued interest and support in the professional and innovative administration of the City's fiscal operations.

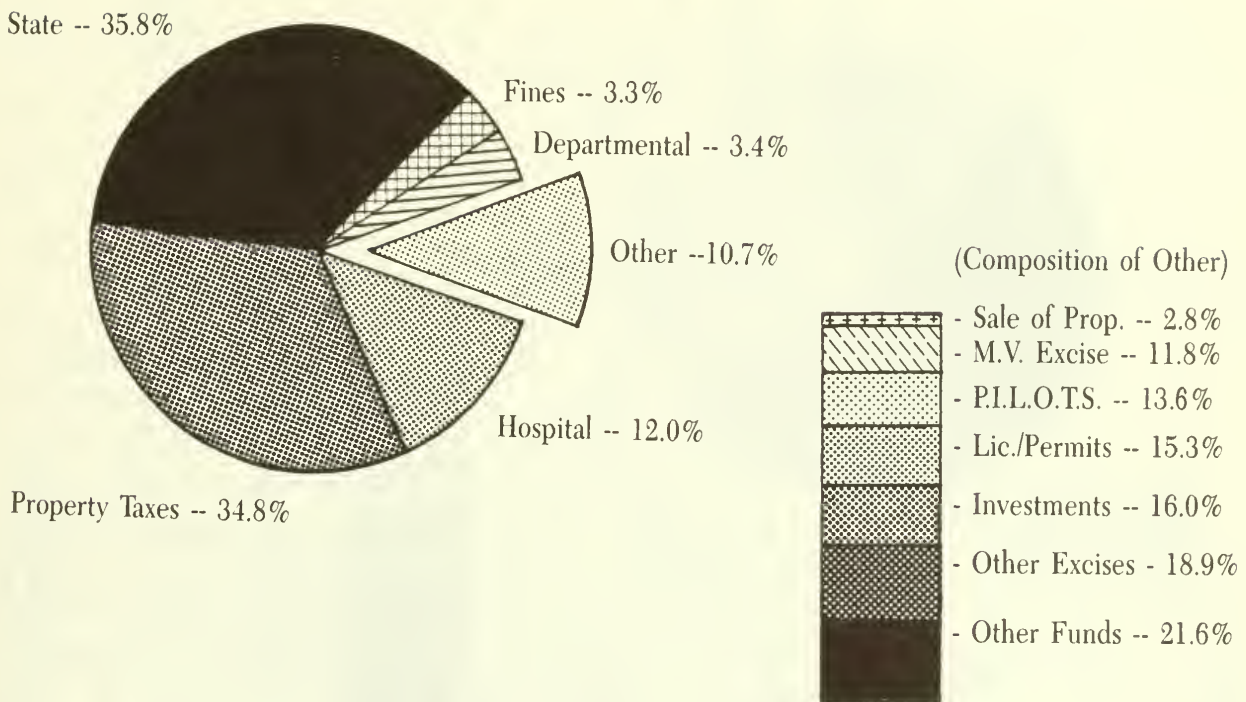
Respectfully submitted,



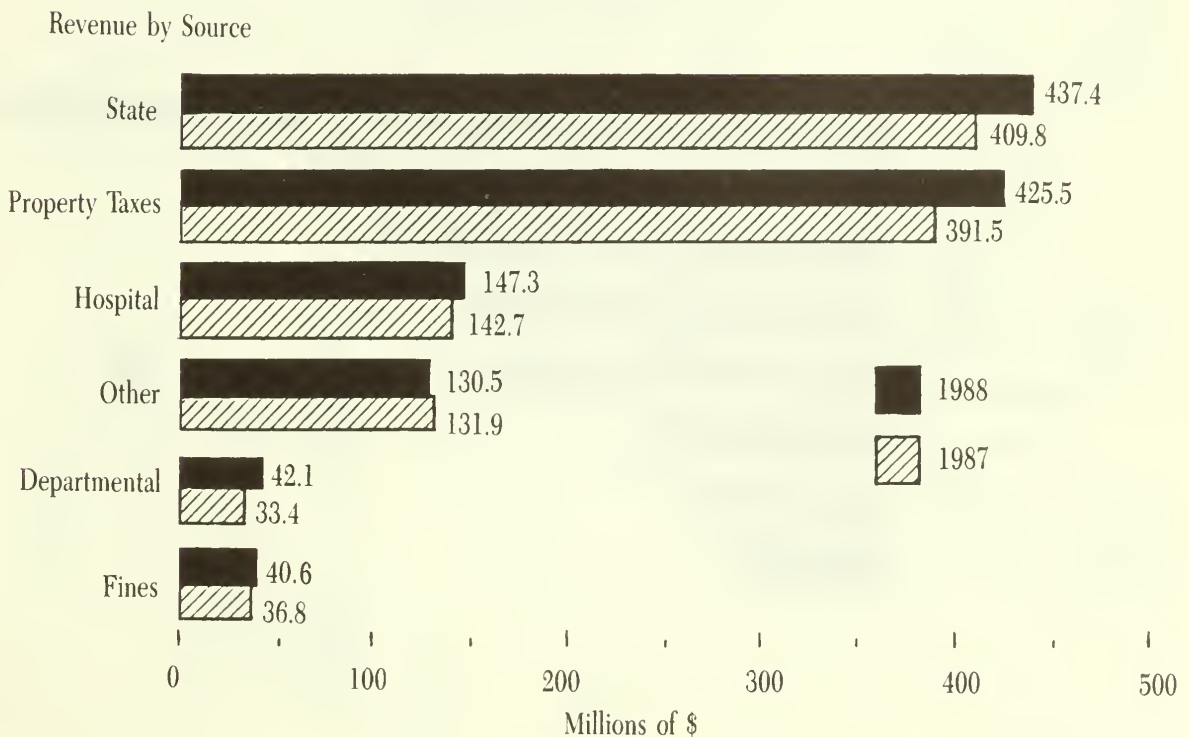
LEON P. STAMPS,  
*City Auditor.*

# General Fund Revenues

## Year ended June 30, 1988

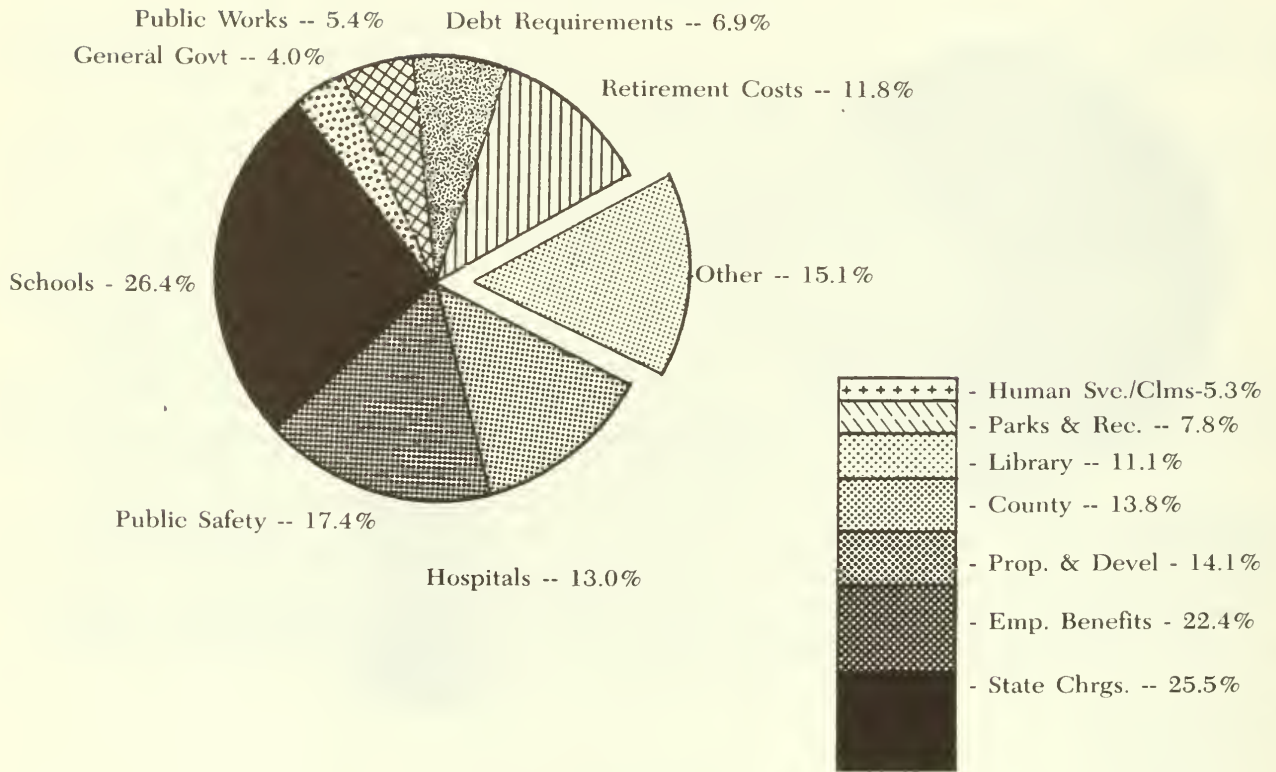


## FY'88 vs FY87

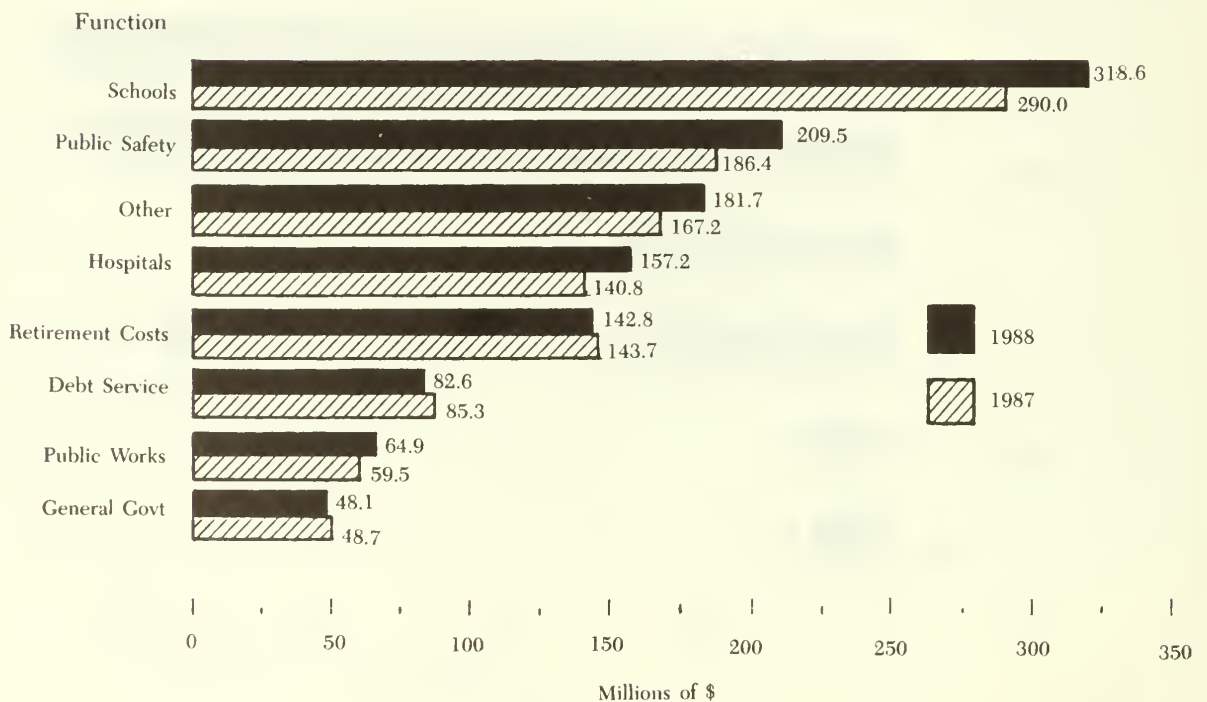


# General Fund Expenditures

Year ended June 30, 1988

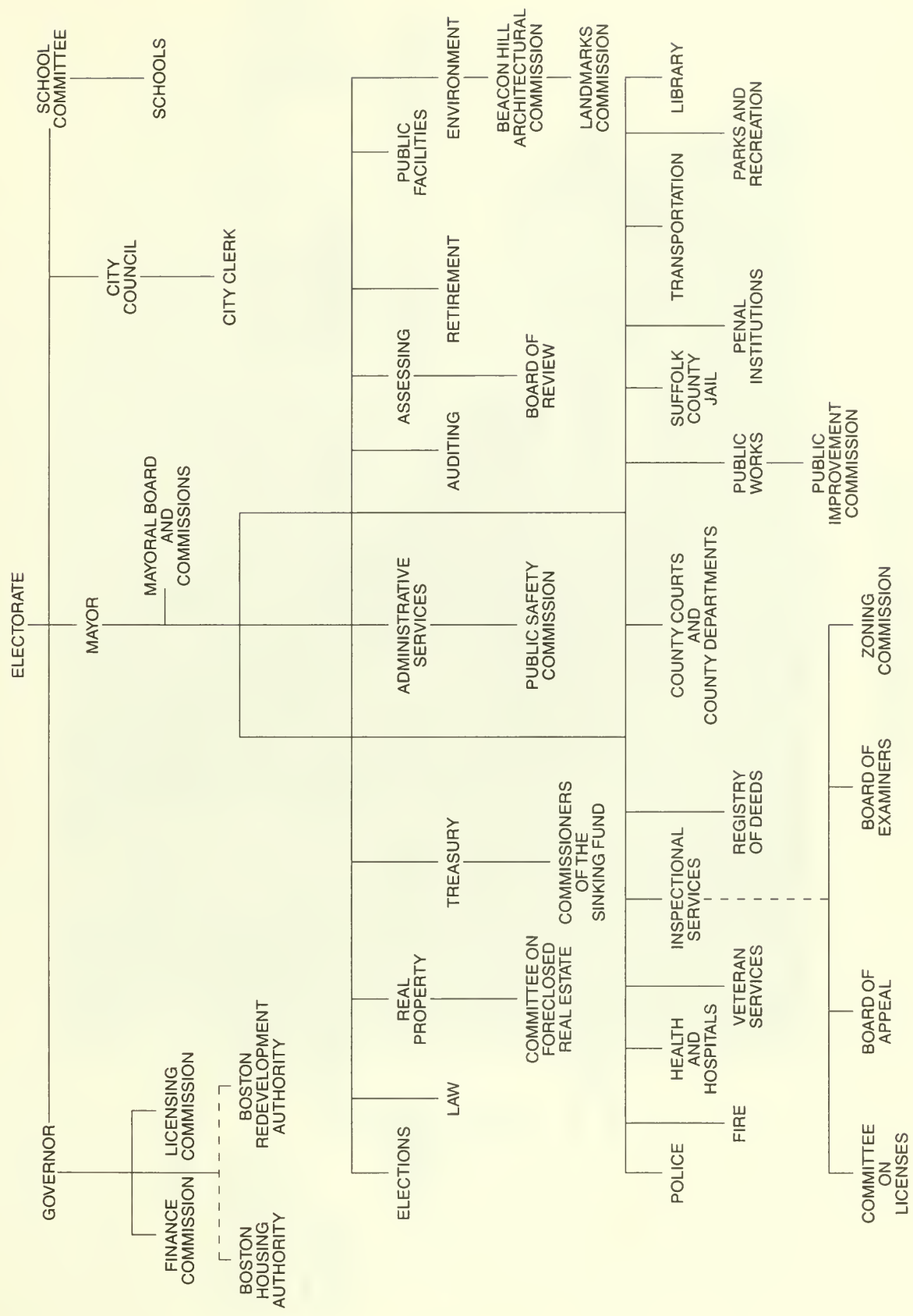


## FY'88 vs FY87

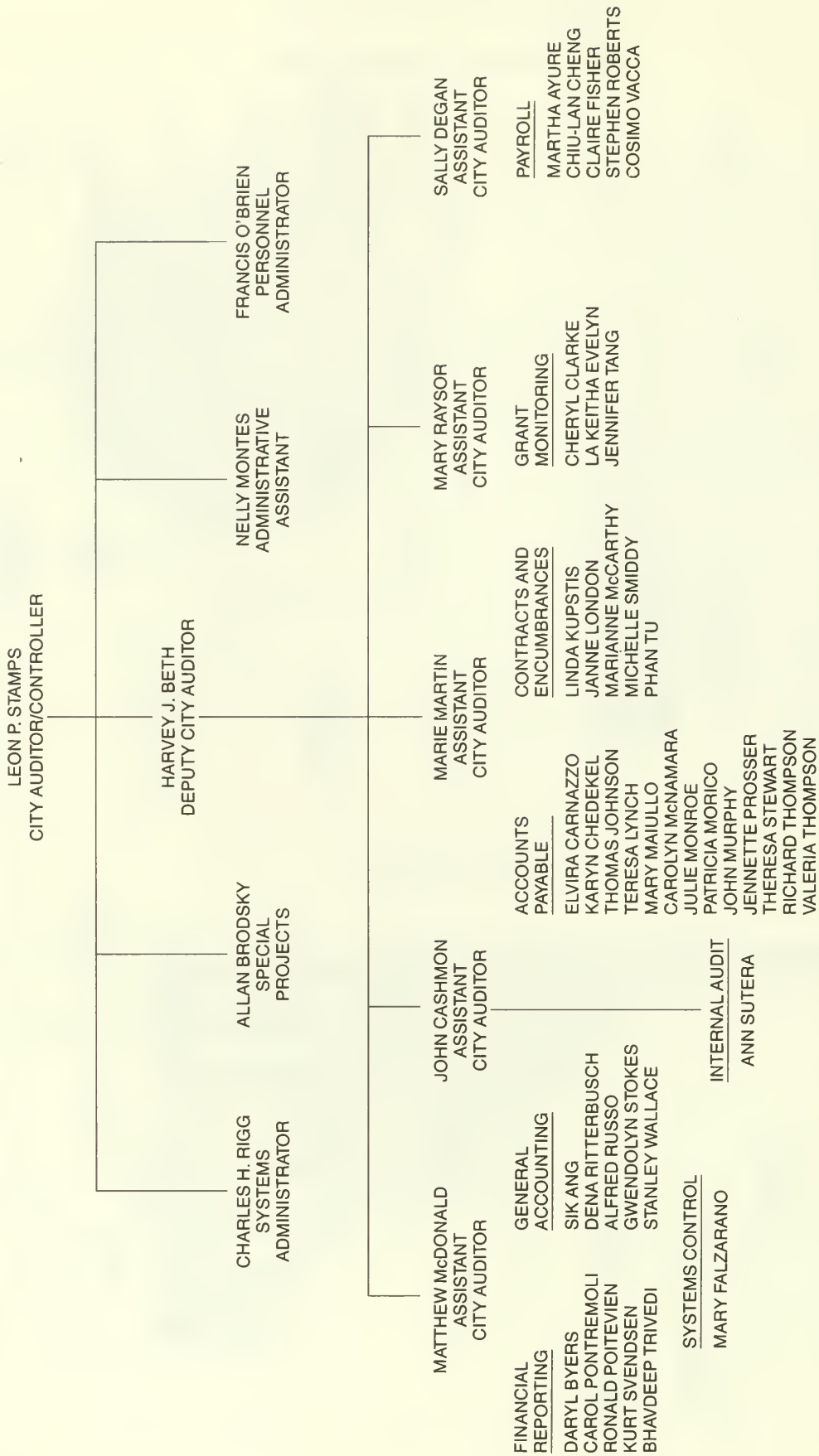




ORGANIZATIONAL CHART  
CITY OF BOSTON, MASSACHUSETTS



# ORGANIZATIONAL CHART AUDITING DEPARTMENT





**Raymond L. Flynn**  
**Mayor**







**LEON P. STAMPS**  
City Auditor





## LIST OF ELECTED OFFICIALS

### Mayor

Raymond L. Flynn

### City Council Members

Christopher A. Iannella, President	At Large
Michael J. McCormack	At Large
Albert L. O'Neil	At Large
Rosaria Salerno	At Large
Robert E. Travaglini	District 1
James M. Kelly	District 2
James E. Byrne	District 3
Charles C. Yancey	District 4
Thomas M. Menino	District 5
Maura A. Hennigan Casey	District 6
Bruce C. Bolling	District 7
David Scondras	District 8
Brian J. McLaughlin	District 9

### Superintendent of Schools

Dr. Laval S. Wilson

### School Committee Members

John A. Nucci	At Large
Jean McGuire	At Large
John O'Bryant	At Large
Rita Walsh-Tomasini	At Large
Robert M. Cappucci	District 1
Margaret Davis-Mullen	District 2
Daniel R. Burke	District 3
Gerald Anderson	District 4
John P. Grady	District 5
Thomas O'Reilly	District 6
Juanita Wade	District 7
Abigail M. Browne	District 8
Rosina Bowman	District 9



## FINANCIAL SECTION

This section is composed of the following:

External Auditor's Report

General Purpose Financial Section

Combining and Individual Fund Statements







# KPMG Peat Marwick

Certified Public Accountants

**Peat Marwick Main & Co.**

One Boston Place  
Boston, MA 02108

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Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

## INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS

*To the Honorable Mayor and City Council of the  
City of Boston, Massachusetts:*

We have audited the general purpose financial statements of the City of Boston, Massachusetts, as of and for the year ended June 30, 1988, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts which aggregate the following percentages of total assets and revenues of the respective funds:

	Percentage of	
	Total assets	Total revenues
Special Revenue Funds . . . . .	10	1
Capital Projects Funds . . . . .	32	46
Enterprise Funds . . . . .	21	19
Trust and Agency Funds . . . . .	12	6
General Long-Term Obligations Account Group . . . . .	1	—

These statements were audited by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for these entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions; issued by the U.S. General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The City and the Boston Redevelopment Authority have not maintained records of the cost of their general fixed assets and, therefore, a General Fixed Assets Account Group is not presented in the accompanying general purpose financial statements as required by generally accepted accounting principles.

In our opinion, based on our audit and the reports of other auditors and except that the omission of a general fixed asset group of accounts results in an incomplete presentation as described in the preceding paragraph, the general purpose financial statements present fairly, in all material respects, the financial position of the City of Boston, Massachusetts as of June 30, 1988, the results of its operations and changes in financial position of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

*Peat Marwick Main & Co.*

December 16, 1988

**CITY OF BOSTON, MASSACHUSETTS**  
**Combined Balance Sheet - All Fund Types and Account Group**  
**June 30, 1988**  
**(with comparative amounts for the General Fund for 1987)**  
**(in thousands)**

	Governmental Fund Types										Total (Memorandum Only) 1988
	General		Special Revenue	Debt Service	Capital Projects	Proprietary Fund Types	Fiduciary Fund Types	Account Group			
	1988	1987									
Assets											
Cash and short-term investments (note 4) . . . . .	\$ 268,776	\$ 250,201	\$ 15,444	\$ 41,232	\$ 83,538	\$ 7,852	\$152,487	\$ —		\$569,329	
Other investments (note 4) . . . . .	—	—	—	74,214	—	—	723,030	—		797,244	
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):											
Property taxes . . . . .	5,816	13,615	—	—	—	—	—	—		5,816	
Motor vehicle excise taxes . . . . .	6,917	3,951	—	—	—	—	—	—		6,917	
Intergovernmental . . . . .	29,924	29,497	14,216	—	7,942	1,388	349	—		53,819	
Accounts (note 6) . . . . .	12,991	15,975	2,609	—	195	52,217	24,448	—		92,460	
Loans (note 7) . . . . .	—	—	—	—	—	16,981	—	—		16,981	
Notes (note 8) . . . . .	—	—	—	—	3,714	—	23,288	—		27,002	
Total receivables . . . . .	55,648	63,038	16,825	—	11,851	70,586	48,085	—		202,995	
Inventories (note 9) . . . . .	—	—	—	—	—	1,653	—	—		1,653	
Due from other funds . . . . .	1,321	38,859	49,985	2,929	2,574	61,364	6,609	—		124,782	
Other assets . . . . .	—	—	33	—	110	3,609	—	—		3,752	
Property, plant and equipment (net of accumulated depreciation) (note 11) . . . . .	—	—	—	—	—	88,932	191	—		89,123	
Amount available in debt service funds . . . . .	—	—	—	—	—	—	—	114,709		114,709	
Amounts to be provided for the retirement of general long-term obligations by (note 13):											
City of Boston . . . . .	—	—	—	—	—	—	—	922,107		922,107	
Commonwealth of Massachusetts . . . . .	—	—	—	—	—	—	—	80,598		80,598	
Boston Water and Sewer Commission . . . . .	—	—	—	—	—	—	—	3,255		3,255	
Boston Redevelopment Authority . . . . .	—	—	—	—	—	—	—	2,234		2,234	
Total assets . . . . .	\$325,745	\$352,098	\$ 82,287	\$118,375	\$ 98,073	\$233,996	\$930,402	\$1,122,903		\$2,911,781	

See accompanying notes to general purpose financial statements.



**CITY OF BOSTON, MASSACHUSETTS**  
**Combined Balance Sheet — All Fund Types and Account Group (continued)**  
**June 30, 1988**  
**(with comparative amounts for the General Fund for 1987)**  
**(in thousands)**

	Governmental Fund Types						Proprietary Fund Types	Fiduciary Fund Types	Account Group	Total (Memorandum Only) 1988
	General		Special Revenue	Debt Service	Capital Projects	Enterprise				
	1988	1987								
<b>Liabilities</b>	\$ 45,604	\$ 43,339	\$ 16,826	\$ —	\$ 9,201	\$ 21,899	\$ 17,815	\$ —		\$ 111,345
Warrants and accounts payable .....										
Accrued liabilities:										
Tax abatement refunds (note 16) .....	94,832	174,994	—	—	—	—	—	—		94,832
Judgments and claims (note 15) .....	50	36	—	—	2,115	2,581	—	740		5,486
Sick and vacation .....	—	—	—	—	—	4,915	—	62,851		67,766
Retirement costs (note 12) - City .....	—	—	—	—	—	50,643	—	473,461		524,104
- BRA .....	—	—	—	—	—	—	—	718		718
Third-party payors of health care costs ..	—	—	—	—	—	30,780	—	—		30,780
Other .....	13,995	3,643	18,663	—	6,523	8,321	33,990	—		81,492
Intergovernmental .....	—	—	—	—	113	4,629	—	—		4,742
Due to other funds .....	51,285	64,888	3,682	169	3,655	458	6,518	58,139		123,906
Matured interest and bonds payable .....	—	—	—	3,497	—	—	—	—		3,497
Obligations under capital leases (note 11) ..	—	—	—	—	—	1,230	—	—		1,230
General obligation bonds and notes payable (note 13) .....	—	—	—	—	—	18,881	—	526,994		545,875
Demand note payable .....	—	—	—	—	169	—	—	—		169
Deferred revenue .....	—	—	14,231	—	31	14,181	—	—		28,443
<b>Total liabilities .....</b>	<b>205,766</b>	<b>286,900</b>	<b>53,402</b>	<b>3,666</b>	<b>21,807</b>	<b>158,518</b>	<b>58,323</b>	<b>1,122,903</b>		<b>1,624,385</b>
<b>Fund Equity:</b>										
Proprietary fund equity .....	—	—	—	—	—	75,478	—	—		75,478
Fund balances:										
Reserved for:										
Encumbrances and continuing appropriations .....	48,53	64,366	42,688	—	84,588	—	5,106	—		180,919
Employees' retirement system .....	—	—	—	—	—	—	789,383	—		789,383
Debt service .....	—	—	—	114,709	—	—	—	—		114,709
Unreserved:										
Undesignated .....	71,442	832	(13,803)	—	(8,322)	—	77,590	—		126,907
<b>Total fund equity .....</b>	<b>119,979</b>	<b>65,198</b>	<b>28,885</b>	<b>114,709</b>	<b>76,266</b>	<b>75,478</b>	<b>872,079</b>	<b>—</b>		<b>1,287,396</b>
Contingencies (note 15) .....	—	—	—	—	—	—	—	—		—
<b>Total liabilities and fund equity .....</b>	<b>\$325,745</b>	<b>\$352,098</b>	<b>\$ 82,287</b>	<b>\$ 118,375</b>	<b>\$ 98,073</b>	<b>\$233,966</b>	<b>\$930,402</b>	<b>\$1,122,903</b>		<b>\$2,911,781</b>

See accompanying notes to general purpose financial statements.

# **CITY OF BOSTON, MASSACHUSETTS** **Combined Statement of Revenues, Expenditures and Changes in Fund Equity —** **All Governmental Fund Types and Expendable Trust Funds**

**June 30, 1988**

**(with comparative amounts for the General Fund for 1987)**

	General		Special Revenue	Debt Service	Capital Projects	Fiduciary Fund Type	Total Memorandum Only) 1988
	1988	1987					
<b>Revenues:</b>							
<b>Local:</b>							
Real and personal property taxes, net (note 16)	\$499,607	\$357,558	\$—	\$—	\$—	Expendable Trust	\$499,607
Excise taxes	42,933	42,321	—	6,624	—		49,557
Payments in lieu of taxes	45,969	41,110	—	—	—		45,969
Licenses and permits	19,990	18,592	—	—	—		19,990
Fines	40,559	36,878	—	—	—		40,559
Investment income	22,870	20,215	994	2,849	1,504		30,708
Departmental and other revenue	42,253	33,621	20,228	—	28,812		94,167
Total local revenues	714,181	550,295	21,222	9,473	30,316		780,557
<b>Intergovernmental:</b>							
Federal	—	—	71,659	—	2,998		74,657
Commonwealth of Massachusetts	382,746	358,896	21,758	—	5,382		409,886
Other	5,819	5,522	—	1,273	—		7,092
Total intergovernmental revenues	388,565	364,418	93,417	1,273	8,380		491,635
Total revenues	1,102,746	914,713	114,639	10,746	38,696		1,272,192
<b>Expenditures:</b>							
<b>Current operations:</b>							
General government	43,752	38,805	303	—	—	523	44,578
Public safety	198,234	169,528	8,634	—	—	—	206,868
Public works	64,962	56,317	4,846	—	—	2,745	72,553
Property and development	21,890	19,140	—	—	—	—	21,890
Library	20,155	17,688	1,289	—	—	328	21,772
Parks and recreation	13,981	9,074	3,989	—	—	1,731	19,701
Community development	—	—	31,337	—	—	—	31,337
Human services	5,738	5,799	12,559	—	—	15	18,312
Schools	322,748	284,746	50,762	—	—	24	373,534
County	25,867	22,187	—	—	—	—	25,867
Retirement costs (note 12)	102,561	92,466	204	—	1,361	—	104,126
Other employee benefits	43,791	32,880	—	—	—	—	43,791
Judgments and claims	10,122	11,585	—	—	—	—	10,122
State and district assessments	46,868	45,213	—	—	—	—	46,868
Miscellaneous	2,100	3,534	—	—	—	280	2,380
Capital outlays	6,311	6,620	1,844	—	106,078	—	114,233
Debt service	4,879	3,402	—	85,737	47	—	90,663
Total expenditures	933,959	818,984	115,767	85,737	107,486	5,646	1,248,595
Excess (deficiency) of revenues over expenditures	168,787	95,729	(1,128)	(74,991)	(68,790)	(281)	23,597
<b>Other financing sources (uses):</b>							
Proceeds of debt (note 13)	—	(72,391)	—	84,090	23,590	—	23,590
Operating transfers in (out), net (note 14)	(114,006)	—	(438)	—	(7,852)	1,152	(37,054)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	54,781	23,338	(1,566)	9,099	(53,052)	871	10,133
Fund equity, beginning of year	65,198	41,860	30,849	105,610	129,357	37,872	368,886
Adjustment for change in fiscal year end of BRA (note 3)	—	—	(398)	—	(39)	—	(437)
Fund equity, end of year	\$119,979	\$ 65,198	\$ 28,885	\$114,709	\$ 76,266	\$ 38,743	\$378,582

**CITY OF BOSTON, MASSACHUSETTS**  
**Statement of Revenues and Expenditures — Budgetary Basis**  
**June 30, 1988**  
**(with comparative amounts for 1987)**  
**(in thousands)**

	1988				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1987 Actual
Revenues, transfers and available funds:					
Real and personal property taxes, net	\$424,987	\$424,987	\$425,539	\$ 552	\$391,544
Excises	43,770	43,770	39,968	(3,802)	39,541
Departmental and other revenue	33,053	41,075	42,108	1,033	33,365
Health and hospitals	145,750	145,750	147,290	1,540	142,749
Commonwealth of Massachusetts	431,485	432,001	437,383	5,382	409,831
Payments in lieu of taxes	16,806	17,278	17,699	421	17,467
Licenses and permits	18,933	19,333	19,990	657	18,592
Investment income	17,200	17,200	20,862	3,662	19,496
Fines	36,512	38,536	40,559	2,023	36,809
Sale of property	3,700	3,700	3,700	—	—
Transfer from other funds	14,671	14,771	14,787	16	16,825
Other available funds	—	13,425	13,425	—	19,965
Total revenues, transfers and other available funds	1,186,867	1,211,826	1,223,310	11,484	1,146,184
Less: Prior year deficits	11,066	11,066	11,066	—	15,113
Net revenue available for appropriation	1,175,801	1,200,760	1,212,244	11,484	1,131,071
Expenditures and encumbrances:					
General government	44,289	50,685	48,085	2,600	48,715
Public safety	199,974	209,998	209,543	455	186,416
Public works	63,371	64,311	64,909	(598)	59,512
Property and development	25,796	26,186	25,697	489	23,286
Library	17,203	20,117	20,193	(76)	17,636
Parks and recreation	13,182	14,307	14,233	74	10,827
Human services	6,939	7,130	6,159	971	6,037
Schools	311,600	311,600	318,578	(6,978)	290,020
Health and hospitals	152,703	157,453	157,243	210	140,789
County	24,324	24,984	25,079	(95)	22,156
Pension costs	138,217	138,217	142,753	(4,536)	143,736
Other employee benefits	42,114	41,924	40,718	1,206	37,368
Judgments and claims	5,000	5,000	3,387	1,613	4,717
State and district assessments	46,259	46,241	46,266	(25)	45,213
Debt requirements	84,830	82,607	82,592	15	85,250
Total expenditures and encumbrances	1,175,801	1,200,760	1,205,435	(4,675)	1,121,678
Excess of revenues, transfers and other available funds over expenditures and encumbrances (note 10)	\$—	\$—	\$ 6,809	\$ 6,809	\$ 9,393

See accompanying notes to general purpose financial statements.





**Combined Statement of Changes in Financial Position**  
**All Proprietary Fund Types and Similar Trust Funds**  
**Year ended June 30, 1988**  
**(with comparative amounts for Health and Hospitals for 1987)**  
**(in thousands)**

	Proprietary Fund Types			Fiduciary Fund Types		Total (Memorandum Only) 1988
	Health and Hospitals 1988	Health and Hospitals 1987	Trustees of Health and Hospitals	Pension Trusts	Non- Expendable Trusts	
<b>Sources of working capital:</b>						
Operations:						
Net income (loss) .....	\$ (445)	\$ (1,595)	\$ 329	\$ (2,090)	\$ 23,537	\$ 24,227
Items not requiring funds:						
Depreciation .....	5,647	5,653	81	1,416	—	7,144
Loss on sale of investments and other .....	640	729	—	—	26,426	27,066
Funds provided (used) by operations .....	5,842	4,787	410	(674)	2,896	58,437
Sale of investments .....	—	—	—	—	829	829
Increase in accrued retirement costs .....	3,370	1,353	—	—	—	3,370
Decrease in other assets .....	—	—	—	1,673	—	1,673
Increase in other liabilities .....	—	—	—	263	—	263
Total sources of funds .....	9,212	6,140	410	1,262	49,963	64,572
<b>Uses of working capital:</b>						
Acquisitions of property, plant and equipment .....	5,291	2,900	14	2,368	—	7,673
Purchase of investments .....	—	—	—	—	2,610	2,610
Decrease (increase) in long-term obligations, net .....	(411)	1,509	—	131	—	(280)
Increase in long-term portion of due from other funds .....	3,388	1,266	—	—	—	3,388
Other .....	(18)	87	—	—	—	(18)
Total uses of working capital .....	8,250	5,762	14	2,499	2,610	13,373
Increase (decrease) in working capital .....	962	378	396	(1,237)	1,115	51,199
<b>Elements of net increase (decrease) in working capital:</b>						
Cash and short-term investments .....	171	586	(2,547)	(465)	1,452	(417)
Other investments .....	—	—	—	—	76,129	76,129
Intergovernmental .....	—	—	—	318	(35,574)	(35,256)
Accounts receivable .....	9,549	656	3,722	(185)	7,922	21,008
Current portion of loans receivable .....	—	—	—	(9)	—	(9)
Current portion of due from other funds .....	1,631	(16,874)	—	—	(302)	1,472
Inventories .....	185	(35)	—	—	143	185
Other current assets .....	—	—	80	(852)	—	(772)
Warrants and accounts payable .....	(4,556)	(5,951)	(293)	(375)	916	(4,308)
Due to third-party payors .....	(7,142)	18,925	—	—	—	(7,142)
Accrued liabilities .....	163	(487)	(73)	110	—	200
Intergovernmental payable .....	—	—	(541)	(35)	—	(576)
Due to other funds .....	—	3,179	18	72	(580)	(490)
Current portion of lease obligations .....	961	379	30	184	—	1,175
Increase (decrease) in working capital .....	\$ 962	\$ 378	\$ 396	\$ (1,237)	\$ 1,115	\$ 51,199

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS  
Notes to General Purpose Financial Statements  
June 30, 1988

(1) Financial Statement Presentation

Reporting Entity

The accompanying general purpose financial statements include all funds and the Long-Term Obligations Account Group of the City of Boston, Massachusetts and the County of Suffolk (the "City"). Also included are the funds and account group of other organizational entities (component units), which are includable in the City's financial reporting entity in accordance with generally accepted accounting principles except for the Boston Industrial Development Finance Authority which is immaterial to the financial statements. The City is the entity that exercises oversight responsibility over the component units. The criteria for inclusion of component units in the oversight entity's general purpose financial statements are selection of governing authority, designation of management, ability to significantly influence operations, accountability over fiscal matters and scope of public service. The inclusion of component units in the City's general purpose financial statements does not affect their separate legal standing. Additional information on the component units is provided in note 3.

Fund Accounting

Transactions are recorded in the funds and account group described below. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Transactions between funds within a fund type, if any, have been eliminated. The funds and Account Group are organized into four categories as follows:

Governmental Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on net income. The governmental fund types are as follows:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than debt service, expendable trusts or capital projects) that are legally restricted to expenditures for specified purposes. General funds of component units are included with Special Revenue Funds.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

Proprietary Fund Types

These funds are used to account for activities operated in a manner similar to a private business enterprise or where periodic determination of revenues, expenses and net income is needed. For financial reporting purposes, the City's Department of Health and Hospitals (DHH) is included in such activities. Also, the Trustees of Health and Hospitals of the City of Boston, Inc. (THH) and the Economic Development and Industrial Corporation of Boston (EDIC) are classified as Enterprise funds.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held in a trustee capacity (Trust Funds) or as an agent (Agency Funds) for individuals, private organizations, other governmental units, and/or other funds. Trust funds include Expendable Trust Funds, Nonexpendable Trust Funds and Pension Trust Funds.

Account Group

The General Long-Term Obligations Account Group is used to establish control and accountability for general long-term obligations, except those obligations which are financed by and accounted for in Enterprise Funds.

(2) Summary of Significant Accounting Policies

The general purpose financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except that the City and the Boston Redevelopment Authority (BRA) do not maintain records of their general fixed assets. Accordingly, a General Fixed Assets Account Group is not presented. The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

Basis of Accounting

Governmental Fund Types, Expendable Trust funds and Agency funds follow the modified accrual basis of accounting. Revenues are recorded in the accounting period that they become both measurable and available. Available means that they are expected to be collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. In applying this principle, the City accrues as revenue the amount of property taxes due to the City prior to year-end and collected within 60 days after the end of its fiscal year; all other revenues, except revenue from expenditure driven grants, and investment income which is accrued as earned, are recorded when cash is received.



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Expenditures, other than (a) interest on long-term debt, (b) accumulated sick and vacation leave, (c) judgments and claims and (d) retirement costs, are recorded in the accounting period that the liability is incurred. Interest on long-term debt is recorded when due. Expenditures for sick and vacation leave, retirement costs, and judgments and claims are recorded in the Governmental Funds to the extent they are expected to be paid from expendable available resources; the balance of these liabilities is recorded in the General Long-Term Obligations Account Group.

Revenues for expenditure driven grants, where monies must be expended for the specific purpose or project before any amounts are earned, are recognized when expenditures are recorded.

Enterprise Funds, Pension Trust Funds and Nonexpendable Trust Funds are accounted for on the accrual basis of accounting.

Pooled Funds

The City follows the practice of pooling cash and short-term investments of the General Fund and certain Special Revenue Funds. All interest earned on pooled cash is allocated to the General Fund.

Inventories

Inventories of the Enterprise Funds are stated at the lower of cost, derived by use of the first-in, first-out valuation method, or market. Inventory purchases of governmental funds are recorded as expenditures.

Property, Plant and Equipment

Property, plant and equipment of the Enterprise Funds is carried at historical cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements 5-25 years

Buildings and leasehold improvements 15-40 years

Equipment 4-25 years

Interest on general obligation debt incurred by the City on behalf of the Health and Hospitals Enterprise Fund is capitalized during the period of construction of major projects. Such capitalized interest amounted to \$100,261 in 1988.

Purchases of property, plant and equipment of governmental funds are recorded as expenditures.

Accrued Sick and Vacation

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The cost of vacation and sick leave for employees of Proprietary Fund Types is recorded as earned. For employees of other funds, the liability related to unused sick and vacation time is recorded in the General Long-Term Obligations Account Group. The amount recorded is the unused days earned at the current rate of pay.

Encumbrances and Continuing Appropriations

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Fund Types as a significant aspect of budgetary control.

Unencumbered appropriations which are carried over to the ensuing fiscal year are reported as "continuing appropriations." Continuing appropriations represent amounts appropriated for specific programs or projects which were not completed during the fiscal year.

Encumbrances and continuing appropriations are reported as reservations of fund balances in the accompanying balance sheet because they do not constitute expenditures or liabilities. Encumbrances and continuing appropriations are combined with expenditures for budgetary comparison purposes (see note 10).

Subsidy to the Department of Health and Hospitals

Operating transfers for subsidies provided by the City's General Fund to the Department of Health and Hospitals (DHH) are based upon the modified accrual basis of accounting. The subsidy recorded by DHH is based on the full accrual basis except for property, plant and equipment and capital leases, which are accounted for on the modified accrual basis. The difference in the amounts of the subsidies is recorded in the General Long-Term Obligations Account Group.

The City does not allocate all internal service costs to the DHH. To a lesser extent, DHH provides certain administrative services to other City departments and hospital services to employees of the City without billing for such services.

Patient Service Revenues

Patient service revenues are recorded at DHH's established rates with contractual and free care allowances and the provision for uncollectible accounts deducted to arrive at net patient service revenue.

Third-Party Reimbursement

Amounts receivable under cost reimbursement agreements of DHH are subject to examination and retroactive adjustments by third-party payors. Provisions for estimated retroactive adjustments under these agreements are provided in the period in which the related services are rendered.

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Effective October 1, 1982, the Massachusetts charge control legislation Chapter 372 was enacted to govern the establishment of acute hospital charges and rates of payment. Chapter 372 established a prospective payment system for substantially all payors and adopted the Blue Cross basis of payment as the basis for determining the approved level of gross patient services revenue and Medicaid and Medicare rates of payment. Effective October 1, 1985, the payment system established pursuant to the Chapter 372 legislation was amended for a two-year period by Chapter 574 legislation. The two principal modifications were the exclusion of Medicare reimbursement from the Massachusetts system and the establishment of an uncompensated care pool to uniformly fund free care and bad debts incurred by hospitals. On April 21, 1988, retroactive to October 1, 1987, the Massachusetts legislature enacted Chapter 23 to govern acute hospital charges through September 30, 1991. The system established under Chapter 23 continues the methodology established under Chapters 372 and 574 with some modifications including a discontinuance of the productivity factors which reduced hospital payments under Chapters 372 and 574; greater incentives for changes in volume and case mix and a rebasing of the 1987 inpatient volume allowance; and the establishment of a statewide cap on the amount of uncompensated care costs that can be recovered through hospital charges.

Under hospital agreements HA-30 and HA-31 Blue Cross pays Boston City Hospital ("Hospital") a proportionate share of the substantially fixed Maximum Allowable Cost (MAC). The MAC is based upon the Hospital's 1982 reimbursement year patient care costs with annual adjustments for inflation, changes in volume and a technology and new program allowance, and with certain items, principally depreciation, interest and malpractice insurance, reimbursed on a cost basis outside the MAC. The current agreement, HA-31, expires on September 30, 1991. In 1987, the Blue Cross basis of payment was reduced by a 6% productivity factor as mandated by Chapters 372 and 574. This reduced basis of payment served as the base for determining the 1988 Blue Cross basis of payment.

Under Chapters 372 and 574, Medicaid reimbursement is based upon Medicaid's proportionate share of the Blue Cross MAC basis of payment increased by a fixed premium to maintain Medicaid's premium at the 1982 level. In 1987, the basis of payment for Medicaid was reduced by an 8% productivity factor as mandated by Chapters 372 and 574. Under Chapter 23, Medicaid reimbursement in 1988 is based upon approved charges plus a premium which reflects the 1987 relationship of Medicaid reimbursement and approved charges. In addition, under Chapter 23 Medicaid reimbursement is subject to a federally imposed "upper limit" test which specifies that payments for Medicaid services on a statewide basis cannot exceed what the payments would have been had Medicare principles of reimbursement been used. Management's current estimate of the Hospital's share of the statewide inpatient care excess is \$16,000,000 which has been accrued for in the 1988 general purpose financial statements.

Effective October 1, 1985, the Hospital is reimbursed for Medicare patients under the Prospective Payment System, the national Medicare system whereby hospitals are paid a standard amount based upon the patient's diagnosis.

Under Chapter 23 and Chapters 372/574, gross patient services revenue is limited to a maximum level based upon the Blue Cross basis of payment. Any revenue generated in excess of the approved level in one year results in a reduction of approved gross patient services revenue in the succeeding year.

DHH is reimbursed for services during the year at interim rates by Blue Cross, Medicaid and Medicare with differences between DHH charges and estimated final reimbursement recorded as contractual adjustments.

Total (Memorandum Only) Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are presented to aggregate financial data of the fund types and account group. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

(3) Component Units

Component units (as defined in note 1) are separate legal entities. Although not operating departments of the City, financial statements for component units have been blended with the City's general purpose financial statements. Transactions between funds within a fund type, if any, have been eliminated. The powers of a component unit are generally vested in its governing board. Descriptions of the component units follow:

State-Boston Retirement System "SBRS"

The SBRS is a defined benefit contributory retirement plan covering employees of the City of Boston, Boston Housing Authority, BRA, and Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

Boston Redevelopment Authority "BRA"

The BRA administers urban development projects and is the City's general planning agency. A majority of the board members are appointed by the Mayor. The geographical limits are the same as those of the City and the City has residual interest in the net assets.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA in both



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the 1988 and 1987 general purpose financial statements. In addition, the interfund receivable and payable balances in the accompanying combined balance sheet do not agree because of the difference in year-end.

Trustees of Health and Hospitals of the City of Boston, Inc. "THH"

The THH is responsible for the financial administration of grant and trust funds for medical research and community health plans. The Mayor appoints all members of the Board of Directors and designates the Chairman and Vice-Chairman. THH provides an essential service which otherwise would be provided by the City.

Economic Development and Industrial Corporation of Boston "EDIC"

EDIC is a quasi-public agency of the City of Boston whose primary purposes are to acquire and improve property, either through purchase or eminent domain, for economic development within the City and to construct economic development projects for lease or sale to industrial occupants. The Mayor appoints members of the board and approves EDIC's designation of areas of the City as economic development areas. The City finances a portion of annual operations and provides resources for development activities.

All of the financial data of component units were derived from audited financial statements as of June 30, 1988 (except BRA which is as of June 30, 1987), and are included in the general purpose financial statements as follows:

**CITY OF BOSTON, MASSACHUSETTS**  
**Notes to General Purpose Financial Statements**  
**June 30, 1988**

	Special Revenue Funds		Capital Projects Funds		Enterprise Funds		Trust and Agency Funds			General Long-Term Obligations	
	BRA	Funds	BRA	(in thousands)	THH	EDIC	SBRs and BRS	THH	BRA	BRA	BRA
<b>Assets</b>											
Cash and short-term investments .....	\$ 5,379		\$ 21,118		\$ 2,802	\$ 1,221	\$ 115,837	\$ 4,536	\$ 3,353		\$ —
Other investments .....	—		—		—	—	624,490	8,552	—		—
<b>Receivables:</b>											
Intergovernmental .....	688		6,274		—	1,388	139	—	210		—
Accounts .....	—		163		7,519	460	22,552	—	—		—
Loans .....	—		—		—	16,981	—	—	—		—
Note .....	—		3,714		—	—	—	—	22,961		—
Total receivables .....	688		10,151		7,519	18,829	22,691	—	23,171		—
<b>Other assets:</b>											
Due from other funds .....	33		110		80	3,529	—	—	—		—
Property, plant and equipment, net .....	2,320		—		—	—	5,701	699	—		—
Amounts to be provided for the retirement of long-term obligations .....	—		—		156	15,802	—	—	—		—
Total assets .....	\$ 8,420		\$ 31,379		\$ 10,557	\$ 39,381	\$ 768,719	\$ 13,787	\$ 26,524		2,234
											\$ 2,234
<b>Liabilities</b>											
Warrants and accounts payable .....	2,457		—		1,082	2,120	17,815	—	—		—
<b>Accrued liabilities:</b>											
Judgments and claims .....	—		2,115		—	—	—	—	—		—
Sick and vacation .....	—		—		—	—	—	—	—		1,516
Retirement costs .....	—		—		—	—	—	—	—		718
Other .....	2,753		6,523		790	1,204	—	—	25,152		—
Intergovernmental .....	—		—		4,595	35	—	—	—		—
Due to other funds .....	—		2,109		2,914	404	580	—	1,372		—
Obligations under capital leases .....	—		—		—	127	—	—	—		—
General obligation bonds and notes payable .....	—		—		—	18,881	—	—	—		—
Deferred revenue .....	—		—		—	14,181	—	—	—		—
Total liabilities .....	5,210		10,747		9,381	36,952	18,395	—	26,524		2,234
<b>Fund Equity</b>											
Proprietary fund equity .....	—		—		1,176	2,429	—	—	—		—
Reserved for employees' retirement system .....	—		—		—	—	750,324	—	—		—
<b>Unreserved:</b>											
Undesignated .....	3,210		20,632		—	—	—	13,787	—		—
Total fund equity .....	3,210		20,632		1,176	2,429	750,324	13,787	—		—
Total liabilities and fund equity .....	\$ 8,420		\$ 31,379		\$ 10,557	\$ 39,381	\$ 768,719	\$ 13,787	\$ 26,524		\$ 2,234

**CITY OF BOSTON, MASSACHUSETTS**  
**Notes to General Purpose Financial Statements**  
**June 30, 1988**

	Special Revenue Funds BRA	Capital Projects Fund BRA	Fiduciary Types Fund	
			Pension Trusts SBRs and BRs	Expendable Trust THH
	(in thousands)			
Revenues:				
Investment income	\$ 307	\$ 1,504	\$ 36,696	\$ 913
Departmental and other revenue	1,318	13,348	21	—
Intergovernmental	60	2,998	12,981	—
Net (depreciation) in fair market value of investments	—	—	(43,112)	—
Contributions	—	—	172,300	—
Total revenues	1,685	17,850	178,886	913
Expenditures:				
Community development	2,404	—	—	—
Retirement costs	204	1,361	—	—
Capital outlays	—	18,995	—	—
Total expenditures	2,608	20,356	—	—
Expenses:				
Salaries, wages and fringe benefits	—	—	981	—
Professional fees	—	—	1,942	—
Materials and supplies	—	—	138	—
Administrative and general	—	—	73	—
Benefits paid	—	—	141,033	—
Members refunds and transfers and reimbursements to other systems, net	—	—	13,572	—
Total expenses	2,608	20,356	157,739	—
Excess (deficiency) of revenues over expenditures and expenses	(923)	(2,506)	21,147	913
Other financing sources (uses)	1,321	2,545	—	(492)
Excess of revenues and other financing sources over expenditures, expenses, and other financing uses	398	39	21,147	421
Fund equity, beginning of year	2,812	20,593	729,177	13,366
Fund equity, end of year	\$ 3,210	\$ 20,632	\$ 750,324	\$ 13,787

#### (4) Deposits and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institution involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by the U.S. Government or Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase and units in the Massachusetts Municipal Depository Trust ("MMDT").

In addition, the City's Pension Trust Fund has additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.

#### Deposits

The following summary presents the amount of City deposits which are fully insured or collateralized with securities held by the City or its agent in the City's name (Category 1), those deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name (Category 2) and those deposits which are not collateralized (Category 3) at June 30, 1988.

	Bank Balances			Total	
	Category			Bank	Carrying
	1	2	3	Balance	Amount
	(in thousands)				
Cash	\$ 57,732	—	81,535	139,267	136,166
Certificates of Deposit	52,707	1,559	76,234	130,500	130,500
Money market	300	—	114,974	115,274	115,274
Total	\$ 110,739	1,559	272,743	385,041	381,940

CITY OF BOSTON, MASSACHUSETTS  
Notes to General Purpose Financial Statements  
June 30, 1988

Investments

The City categorizes investments according to the level of risk assumed by the City. Category 1 includes investments that are insured, registered or held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the City's name. Investments in MMDT, a pooled fund, are not categorized.

	Category			Not Categorized	Carrying Amount	Estimated Market Value
	1	2	3			
	(in thousands)					
Equity securities .....	—	340,729	23,768	—	364,497	368,721
U.S. Government obligations .....	40,232	115,406	45,555	—	201,193	173,517
Debt securities .....	50	112,951	21,518	—	134,519	134,679
U.S. Government agency obligations .....	100	616	57,325	—	58,041	58,062
Repurchase agreements .....	—	41,298	2,360	—	43,658	43,658
Money market .....	—	46,519	3,763	—	50,282	50,312
MMDT .....	—	—	—	110,358	110,358	110,358
Other investments .....	—	16,821	5,264	—	22,085	22,085
	<u>\$ 40,382</u>	<u>674,340</u>	<u>159,553</u>	<u>110,358</u>	<u>984,633</u>	<u>961,392</u>

Of the investments reflected in the preceding table, investments of the City's Pension Fund are 92.6% of the amount in Category 2.

Deposits and investments are classified as follows in the accompanying balance sheet at June 30, 1988 (in thousands):

	Cash and Short-Term Investments	Other Investments	Total
Deposits .....	\$381,940	\$ —	\$ 381,940
Investments .....	187,389	797,244	984,633
Totals .....	<u>\$569,329</u>	<u>\$ 797,244</u>	<u>\$1,366,573</u>

The composition of the City's bank recorded deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and Federal aid, and capital outlays throughout the year.

(5) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent November 1 and May 1. By law, all taxable property in the Commonwealth must be assessed at 100% of fair cash value. Taxes due and unpaid after the respective due dates are subject to interest and penalties. The City has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables, net of estimated uncollectibles, in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting described in note 2.

A statewide tax limitation statute known as "Proposition 2-1/2" limits the property tax levy to an amount equal to 2-1/2% of the value of all taxable property in the City. A secondary limitation is that no levy in a fiscal year may exceed the preceding year's allowable tax levy by more than 2-1/2%, plus taxes levied on certain property newly added to the tax rolls. Certain Proposition 2-1/2 taxing limitations can be overridden by a City-wide referendum vote.

(6) Accounts Receivable

Accounts receivable in the Enterprise Funds as of June 30, 1988 consisted of the following:

	(in thousands)
DHH:	
Patient accounts receivable .....	\$88,387
Other .....	1,245
	89,632
Less allowance for uncollectible amounts .....	45,394
	44,238
THH .....	7,519
EDIC .....	460
Total .....	<u>\$52,217</u>



CITY OF BOSTON, MASSACHUSETTS  
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(7) Loans Receivable - EDIC

At June 30, 1988, loans receivable consisted of the following:

	Loan balance (in thousands)
Boston Harbor Partners Limited Partnership/DLJ Hoffman, Inc. - 9% mortgage note due in September, 2014 with equal quarterly installments of principal and interest of \$281,055 .....	\$ 11,300
Seven Corporation - 8% UDAG loan due in October, 2000 with equal monthly installments of principal and interest of \$15,464 .....	1,518
Nimrod Press, Inc. - 6.5% UDAG loan due in November, 2011 with equal monthly installments of principal totalling \$555 plus interest .....	163
Agril-Mark, Inc./H.P. Hood, Inc. - 3% UDAG loan due in March, 2010 with equal quarterly installments of principal totalling \$40,000 plus interest beginning in year 8 (interest on years 1-7 deferred until the due date) and a balloon payment of principal totalling \$1,120,000 plus interest on the due date .....	4,000
Total .....	<u>\$16,981</u>

(8) Notes Receivable

Loans receivable in the Trust and Agency Funds are comprised of funds advanced to developers from the BRA under various UDAG and housing initiative agreements. The liabilities to the funding sources are reflected in other accrued liabilities. In fiscal year 1987, the BRA adopted the practice of reflecting both the asset and liability on the balance sheet. Accordingly, the balances in both accounts, aggregating \$20,208,271 as of July 1, 1986, have been included in the current year activity.

Notes receivable amounting to \$3,713,800 in the Capital Project Funds represent a promissory note from a developer due to the BRA. The note bears interest at a rate approximating the yield on thirty-year Treasury Bonds. A corresponding amount has been recorded as other accrued liabilities.

(9) Inventories

DHH's inventories in the Enterprise Funds as of June 30, 1988 consisted of the following:

	(in thousands)
Medical and surgical supplies .....	\$ 535
Drugs and pharmaceuticals .....	793
Other .....	325
Total .....	<u>\$ 1,653</u>

(10) Budgetary Data

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 5). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for the prior fiscal year's deficits, if any, less (c) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth of Massachusetts for tax rate purposes.

Proposed budgetary General Fund expenditure appropriations for all departments and operations of the City and Suffolk County, are prepared under the direction of the Mayor. The Mayor may submit to the City Council supplementary appropriation orders as are deemed necessary. The City Council may reduce or reject any item in budgets submitted by the Mayor but may not increase or add items without the recommendation of the Mayor. Supplemental appropriations for the year ended June 30, 1988, after the setting of the tax rate, were \$25.0 million and are included in the final budget column of the budgetary basis financial statement (see page 6).

The City budget as presented in the Statement of Revenues and Expenditures - Budgetary Basis was developed as follows:

	(in thousands)
Budgeted expenditures:	
Operations .....	\$1,200,760
Prior year deficits .....	11,066
Total budgeted expenditures and prior year deficits .....	<u>\$ 1,211,826</u>
To be funded as follows:	
Budgeted revenue .....	\$1,183,630
Budgeted transfers from other funds .....	14,771
Available surplus .....	13,425
Total funding .....	<u>\$1,211,826</u>

The City's General Fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column of the Statement of Revenues and Expenditures-Budgetary Basis is presented on a "budget basis" to provide a meaningful comparison with the budget. The major differences between the budget and GAAP bases are that:

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(a) Real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);

(b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP);

(c) Certain activities and transactions are presented in separate funds (GAAP) rather than as components of the General Fund (budget);

(d) Amounts raised for prior years deficit are recorded as reductions of revenue on a budget basis, but have no effect on GAAP revenues;

(e) Available funds from prior years' surpluses are recorded as revenues on a budget basis but have no effect on GAAP revenues;

(f) The subsidy to the DHH from the General Fund is derived on a cash basis (budget), as opposed to modified accrual basis (GAAP); and

(g) The teacher's retirement cost reimbursement from the Commonwealth is recorded as revenue on a cash basis (budget), as opposed to a reduction of expenditures on an accrual basis (GAAP).

In addition, there are certain differences in classifications between revenues, expenditures and transfers.

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 1988:

	Net revenue	Expenditures	Other financing sources (uses), net	Total net revenue and sources (expenditures and uses)
	(in thousands)			
As reported on a budgetary basis .....	\$1,212,244	\$1,205,435	\$—	\$6,809
Adjustments:				
Revenues, principally from property taxes, accrual to modified accrual basis .....	77,261	—	—	77,261
Prior years' deficit .....	11,066	—	—	11,066
Prior years' available funds .....	(13,425)	—	—	(13,425)
General fund DHH subsidy .....	—	—	(10,348)	(10,348)
State-funded teachers' retirement costs .....	(22,323)	(23,000)	—	677
Expenditures, encumbrances and accruals, net .....	—	17,259	—	(17,259)
Reclassifications:				
Health and Hospitals revenues and expenditures to an Enterprise Fund .....	(147,290)	(171,316)	(24,026)	—
Revenue sharing to Special Revenue fund .....	(626)	(626)	—	—
Parking meter revenue and expenditures to Special Revenue fund .....	(6,900)	(6,900)	—	—
Transfers from other funds and debt service expenditures to other financing uses .....	(500)	(78,025)	(77,525)	—
Other retirement benefits .....	(6,761)	(6,761)	—	—
BRA expenditures for planning to other financing uses .....	—	(2,107)	(2,107)	—
As report on a GAAP basis .....	<u>\$ 1,102,746</u>	<u>\$ 933,959</u>	<u>\$ (114,006)</u>	<u>\$ 54,781</u>

**(11) Property, Plant and Equipment - Enterprise Funds**

Property, plant and equipment of DHH, THH, and EDIC by major category, at June 30, 1988 is as follows:

	Department of Health and Hospitals				
	Hospital Facilities	South Block Complex	THH	EDIC	Total
	(in thousands)				
Land .....	\$ 3,853	\$ 132	\$ —	\$ 8,394	\$ 12,379
Buildings and leasehold improvements .....	110,287	18,238	—	16,820	145,345
Furniture and equipment .....	27,966	569	511	1,183	30,229
Construction in progress .....	—	—	—	864	864
	142,106	18,939	511	27,261	188,817
Less accumulated depreciation .....	79,024	9,047	355	11,459	99,885
Totals .....	<u>\$ 63,082</u>	<u>\$ 9,892</u>	<u>\$ 156</u>	<u>\$ 15,802</u>	<u>\$ 88,932</u>

The South Block Complex consists of residential apartments, parking for resident and hospital use and facilities that house the Boston City School of Practical Nursing.

Included in property, plant and equipment of the Enterprise Funds at June 30, 1988 are capital leases as follows:

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	(in thousands)
Equipment .....	\$ 358
Building and leasehold improvements .....	9,343
	<u>9,701</u>
Less accumulated depreciation .....	5,773
Total .....	<u>\$3,928</u>

Future minimum payments under these capital leases as of June 30, 1988 are as follows:

	<u>DHH</u>	<u>EDIC</u> (in thousands)	<u>Total</u>
1989 .....	\$ 378	\$ 54	\$ 432
1990 .....	358	50	408
1991 .....	277	21	298
1992 .....	277	16	293
1993 .....	—	4	4
Total minimum lease payments .....	<u>1,290</u>	<u>145</u>	<u>1,435</u>
Less amount representing interest .....	187	18	205
Totals .....	<u>\$1,103</u>	<u>\$127</u>	<u>\$1,230</u>

(12) Pension Plan

(a) Plan Description

The City participates in the State-Boston Retirement System (SBRS or System) which is a cost-sharing multiple-employer public employee retirement system established under Chapter 32 of the Massachusetts General Laws and is a member of the Massachusetts Contributory Retirement System. SBRS provides pension benefits for participating employees of the following governmental entities:

- City of Boston
- Boston Redevelopment Authority
- Boston Housing Authority
- Boston Water and Sewer Commission

The Massachusetts Turnpike Authority has one participant in the System.

The System is a contributory defined benefit plan covering all permanent full-time employees immediately upon the commencement of employment. Those employees who serve in the City of Boston's School Department in a teaching capacity are members of the System. However, the cost of these pension benefits is reimbursed by the Commonwealth of Massachusetts ("Commonwealth") directly to the City.

At January 1, 1988, SBRS membership consisted of:

	<u>City</u>	<u>BRA</u>	<u>Other Entities</u>	<u>Total</u>
Active employees .....	18,414	620	715	19,749
Pensioners and beneficiaries .....	12,172	504	288	12,964
Inactive employees with vested rights .....	5,026	158	109	5,293
	<u>35,612</u>	<u>1,282</u>	<u>1,112</u>	<u>38,006</u>

\* Not included in the general purpose financial statements.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance has two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate comprise the annuity. The differential between the total retirement benefit and the annuity is the pension.

Active members contribute either 5, 7 or 8% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee's membership commences.

The pension portion of any retirement benefit is paid from the pension fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as determined by



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PERA's actuary. Until recently, retirement systems were paying only the actual retirement benefits that were due each year. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1983, legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. This initiative has significantly reduced the rate of growth of the systems' unfunded liabilities.

Administrative expenses are allocated among the governmental entities whose employees are members of the System.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

(b) Summary of Accounting Policies

Basis of Presentation

SBRS's financial statements are prepared using the accrual basis of accounting in conformity with Statement 35 of the Financial Accounting Standards Board. Employee contributions are recognized as revenues in the period in which they are withheld from payroll. Employer contributions and reimbursements from the Commonwealth are recognized as revenues when due.

For Governmental Funds, retirement costs are determined based on the amount contributed to the Pension Trust Funds and the unfunded accumulated benefit obligation is recorded as a liability of the General Long-Term Obligations Account Group. For Proprietary Funds, retirement costs are determined on an actuarial basis up to the amount of the unfunded accumulated benefit obligation.

(c) Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standard disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among systems.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1988. Significant actuarial assumptions used in the valuation include (a) the life expectancy of participants using the 1971 Group Annuity Mortality Table, set back 6 years for females, (b) projected annual salary increases of 6% both retroactively and prospectively, attributed to inflation and seniority/merit, (c) a rate of return on the investments of 10% a year, (d) retirement age assumptions of 64, 62 and 60 for various groups, and (e) post-retirement benefit increases granted to date, and (f) removal of the \$30,000 compensation cap and other changes resulting from the adoption of Chapter 32, Section 22D (see (f) below).

The unfunded pension benefit obligation and the accumulated unfunded benefit obligation at June 30, 1988 are as follows:

	<u>City</u>	<u>BRA</u>	<u>Other Entities*</u>	<u>Total</u>
		(in thousands)		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits . . . . .	\$849,449	\$ 6,616	\$32,817	\$ 888,882
Current employees:				
Accumulated employee contributions including investment earnings . . . . .	358,400	5,000	18,700	382,100
Employer financed vested . . . . .	119,628	556	694	120,878
Employer financed nonvested . . . . .	436,401	4,358	18,752	459,511
Total pension benefit obligation . . . . .	1,763,878	16,530	70,963	1,851,371
Net assets available for benefits, at market . . . . .	708,029	10,186	30,349	748,564
Unfunded pension benefit obligation . . . . .	1,055,849	6,344	40,614	1,102,807
Less:				
Adjustment to reduce the unfunded pension benefit obligation for projected salary increases . . . . .	284,478	2,801	11,674	298,953
Assets held by the City of Boston in a separate pension trust fund . . . . .	39,059	—	—	39,059
Estimated amounts to be reimbursed by the Commonwealth of Massachusetts for teachers, net of related assets . . . . .	208,208	—	—	208,208
Unfunded accumulated pension benefit obligation . . . . .	<u>\$ 524,104</u>	<u>3,543</u>	<u>28,940</u>	<u>556,587</u>

\* Not included in the general purpose financial statements.



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The City has recorded \$473,461,000 of the unfunded accumulated benefit obligation as a liability in the General Long-Term Obligations Account Group. The remaining \$50,643,000 is recorded as a liability in the DHH Enterprise Fund.

(d) Contribution Requirements and Contributions Made

SBRs's funding policy is not actuarially determined. Each entity is required to contribute each fiscal year an amount, approximating the pension benefits (less certain interest credits) expected to be paid during the year ("pay-as-you-go" method). This amount is determined in advance by the Public Employees Retirement Administration (PERA) and is based in part on the previous year's benefit payout. The Commonwealth currently reimburses the System on a quarterly basis for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2 1/2 . Also the Commonwealth reimburses the City of Boston for benefits paid to school teachers.

Contributions to SBRs during the year ended June 30, 1988 as determined on the "pay-as-you-go" method described above were as follows: (in thousands)

	<u>City</u>	<u>BRA</u>
Employer.....	\$125,383	\$1,919
Employee .....	35,783	687

(e) Trend Information

Historical trend information is presented in the State Boston Retirement System's June 30, 1988 separately issued financial statements.

(f) Adoption of Chapter 32, Section 22D

On August 17, 1988, the Boston City Council voted to accept the provisions of Chapter 32, Section 22D. By such acceptance, certain changes to SBRs's provisions are mandated. In addition, SBRs must establish an approved funding program to fully fund the System by June 30, 2028, provide certain fitness and wellness programs and meet certain performance standards for the invested funds. In return, the Commonwealth will provide financial assistance through a program of funding grants for 15 years and delay the advance funding requirements until the funding grants begin in 1990.

The primary benefit changes include: 1) removing the \$30,000 cap on regular compensation used in determining the retirement allowance for members who joined the System after January 1, 1979 (affected members would be required to contribute an additional 2% of their regular compensation over \$30,000), 2) reducing eligibility for ordinary disability from 15 years to 10 years of creditable service, 3) permitting members working after age 70 to continue contributing to the System in order to receive a benefit based on their earnings through actual retirement, and 4) increasing the dependents allowance from \$312 per year to \$450 per year subject to future cost of living adjustments.

It has been estimated that if the funding grant program had begun in 1988, the System would be eligible for a funding grant for 1988 of approximately \$5 million. The actual amount will vary from year to year based on the increase in state income and excise taxes and the relative funding burdens of all systems.

The adoption of Chapter 32, Section 22D has been reflected in the accompanying calculations of actuarially determined pension liabilities. It is estimated that these changes increased the present value of accumulated plan benefits by \$6 million and the pension benefit obligation by \$36.6 million at June 30, 1988. The adoption of Chapter 32, Section 22D is not expected to significantly impact future funding requirements of the City and BRA.

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(13) General Long-Term Obligations

The following is a summary of bond and other long-term obligation transactions of the City and its component units for the year ended June 30, 1988 and 1987:

City	Interest Rates	Outstanding Beginning of Year	Additions (in thousands)	Reductions	Outstanding End of Year
<b>Bonds:</b>					
General purpose, serial maturities through 2006	1/4 % to 10-3/4 %	\$ 91,245	\$ —	\$ 7,015	\$ 84,230
Urban redevelopment, serial maturities through 2006	4-1/2 % to 10-3/4 %	94,952	—	7,383	87,569
Schools, serial maturities through 2006	4-1/4 % to 10-3/4 %	154,874	—	16,226	138,648
Parking facilities, serial maturities through 2003	4-1/4 % to 10-3/4 %	13,724	—	1,442	12,282
Public buildings, serial maturities through 2006	4-1/4 % to 10-3/4 %	97,923	—	8,789	89,134
Public works, serial maturities through 2006	4-1/4 % to 10-3/4 %	49,637	—	4,295	45,342
Water, serial maturities through 1996	5-1/10 % to 10 %	1,855	—	350	1,505
Sewer, serial maturities through 1999	4-1/4 % to 7-3/10 %	2,090	—	340	750
Rapid transit, term maturities through 1995	2-1/4 % to 3 %	7,529	—	85	7,444
Funding Loan Act of 1982, serial maturities through 1992	7-1/2 % to 9-1/2 %	39,800	—	4,300	35,500
Lease acquisition and refinancing, serial maturities through 1993	5 % to 6-2/10 %	—	23,590	—	23,590
		553,629	23,590	50,225	526,994
<b>Other long-term obligations, net:</b>					
Tax abatement refunds		30,968	—	30,968	—
Judgments and claims		439	301	—	740
Sick and vacation		56,168	5,167	—	61,335
Retirement costs		458,244	15,217	—	473,461
Due to other funds		53,579	4,560	—	58,139
		1,153,027	48,835	81,193	1,120,669
<b>BRA (for the year ended June 30, 1987)</b>					
Sick and vacation, net		1,516	—	—	1,516
Retirement cost, net		718	—	—	718
		2,234	—	—	2,234
<b>Totals</b>		<u>\$1,155,261</u>	<u>\$48,835</u>	<u>\$81,193</u>	<u>\$1,122,903</u>

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On August 28, 1986, the City issued \$58.5 million in general obligation bonds to advance refund \$47.8 million of 1980, 1983, 1984 and 1985 Series bonds to provide for all future debt service payments on the refunded bonds. The refunded debt was not considered defeased in substance because proceeds of the refunding debt were not invested in essentially risk-free monetary assets as defined by generally accepted accounting principles.

On March 15, 1988, the City issued \$23.6 million in debt used for capital lease refinancing and acquisition. The debt carries serial maturities through 1993, and has interest rates ranging from 5% to 6-2/10%.

The annual debt service requirements of general obligation bonds outstanding as of June 30, 1988 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
		(in thousands)	
Year ending June 30,			
1989.....	\$ 60,070	\$ 38,168	\$ 98,238
1990.....	58,600	34,658	93,258
1991.....	57,149	31,061	88,210
1992.....	56,295	27,158	83,453
1993.....	49,640	22,960	72,600
1994-1998.....	140,550	71,855	212,405
1999-2003.....	79,725	28,631	108,356
2004-2006.....	24,965	2,816	27,781
	<u>\$526,994</u>	<u>\$257,307</u>	<u>\$784,301</u>

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth of Massachusetts has approved school construction assistance, subject to annual appropriation by the State Legislature and reports filed with the Commonwealth by the City, which partially provides resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 1988, such resources, excluding interest, expected to be provided to the City were \$80.6 million from the Commonwealth and \$3.3 million from the Boston Water and Sewer Commission.

The City of Boston 1982 Funding Loan Act makes available to the City several sources of revenue to be utilized for the payment of debt service on the Funding Loan Bonds. Such revenues include hotel/motel excise receipts, deed excise receipts and certain new real estate excises. The hotel/motel excise receipts and deed excise receipts may be used by the City solely to pay principal and interest on the Funding Loan Bonds and both dedication and collection of such receipts to the City automatically expire when such bonds are no longer outstanding. The real estate excise receipts are also pledged to the payment of the Funding Loan Bonds. However, the collection of real estate excise receipts will not expire upon payment of the Funding Loan Bonds.

As of June 30, 1988, the City has \$7.5 million on deposit with the Board of Sinking Funds Commissioners for retirement of rapid transit term general obligation bonds. The deposit is accounted for in the Debt Service Fund. If payments by the Board from the sinking fund are not sufficient to fully provide for principal and interest on such debt as it becomes due, the City is entitled to receive direct payments from the Massachusetts Bay Transportation Authority to the extent of any such deficiency.

The City is subject to a dual level general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2 1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1988, the City may issue \$782.2 million additional general obligation debt under the dual level general debt limit. General obligation debt of \$152.7 million subject to the double debt limit and \$83.5 million exempt from the debt limit is authorized but unissued as of June 30, 1988.



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The City pays assessments under formulas which include debt service payments to other local governmental units providing services within the City's boundaries (commonly referred to as overlapping debt). The primary overlapping debt relates to the Massachusetts Bay Transportation Authority (MBTA) and the Metropolitan Parks District Commission (MDC). The following summary sets forth the long-term debt of each entity at June 30, 1988, the estimated share of such debt being serviced by the City and the total of the City's share of indirect debt.

	Long-Term Debt Outstanding	City's Estimated Share (in thousands)	City's Indirect Debt
MBTA .....	\$150,400	42.08%	\$63,288
MDC .....	70,262	19.20%	13,490
	<u>\$220,662</u>		<u>\$76,778</u>

Long-term obligations of EDIC consist of industrial development bonds, notes and mortgages which mature as follows:

Year ending June 30, '	(in thousands)
1989 .....	\$ 271
1990 .....	435
1991 .....	2,968
1992 .....	472
1993 .....	491
1994-2118 .....	14,244
	<u>\$18,881</u>

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(14) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows:

	General		Transfers in (out)						THH	Expendable Trusts		NonExpendable Trusts
	1988	1987	Special Revenue	Debt Service	Capital Projects (in thousands)	DHH						
Purpose of operating transfer:												
BRA transfers:												
Operations .....	\$(2,107)	\$(2,107)	\$1,321 (1,759)	\$ —	\$ 786 1,759	\$ —		\$ —		\$ —		\$ —
Capital projects .....	—	—	—	—	—	—		—		—		—
Debt service .....	(78,025)	(78,628)	—	78,025	—	—		—		—		—
Lease acquisition and refinancing .....	—	—	—	9,056	(9,056)	—		—		—		—
DHH operating subsidy .....	(38,934)	5,795	—	(2,991)	(1,341)	43,266		—		—		—
Add amount transferred to the long-term obligations account group .....	4,560	1,429										
	(34,374)	7,224										
	500	1,120	—	—	—	—		492	1,152			(2,144)
Trust funds .....	\$(114,006)	\$(72,391)	\$(438)	\$84,090	\$(7,852)	\$ 43,266		\$492	\$1,152			\$(2,144)

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(15) Contingencies

Judgments and Claims and Abatement Refunds

Numerous lawsuits are pending or threatened against the City, which arose from the ordinary course of operations, including actions commenced and claims asserted against it for property damage and personal injury, breaches of contract, condemnation proceedings and other alleged violations of law. Provisions have been made for losses which are probable and estimable.

Third-Party Reimbursement

Under Chapter 372, the Medicare and Medicaid programs reimbursed Boston City Hospital for a portion of the cost of providing free care to patients. The determination of these free care reimbursement amounts was subject to uncertainties, including the levels of free care provided by other Massachusetts hospitals and the specifics of formula application to Boston City Hospital. During 1987, the Hospital reached a tentative agreement with the Medicare and Medicaid programs as to the ultimate amount of free care reimbursement due the Hospital under Chapter 372. As a result, the Hospital recognized as revenue approximately \$29.7 million through a reduction of contractual adjustments in the Statement of Revenues, Expenses and Changes in Fund Equity for the year ended June 30, 1987.

(16) Subsequent Events

(a) Bond Issuance

On July 7, 1988, the City issued \$39,110,000 of General Obligation bonds at interest rates ranging from 5.20% to 7.75%. The proceeds will be used for various purposes, including capital improvements to City buildings, and construction of bridges, sidewalks and school athletic facilities.

(b) Tax Abatement Settlement

On November 10, 1988, the City and Boston Edison Company (Boston Edison) agreed to settle litigation pending between the parties, including fiscal years 1977 - 1982 for the Company's South Boston power plant and fiscal years 1983 - 1988 for all the Company's taxable property located in Boston. Under the terms of the settlement, the City will pay Boston Edison approximately \$7 million each year for the next six years to discharge any and all liability concerning pending tax abatement appeals. These amounts have been recorded as a liability of the General Fund as of June 30, 1988.

As a result of the above settlement, the City reduced its accrued tax abatement liability and has recognized approximately \$76 million in additional property tax revenues for the year ended June 30, 1988.



## **GENERAL FUND**

This fund is the general operating fund of the City. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.



**Exhibit A-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**GENERAL FUND**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$268,775,929	\$250,200,595
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Property taxes .....	5,816,474	13,615,147
Motor vehicle excise .....	6,916,542	3,950,642
Intergovernmental .....	29,924,192	29,497,781
Accounts .....	12,990,762	15,974,668
Due from other funds .....	1,321,331	38,859,368
 Total Assets .....	 \$352,745,230	 \$352,098,201
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$45,603,827	\$43,339,404
Accrued liabilities:		
Tax abatement refunds .....	94,832,145	174,994,000
Judgments and claims .....	50,000	36,145
Other .....	13,994,926	3,642,923
Due to other funds .....	51,285,032	64,887,628
 Total Liabilities .....	 205,765,930	 286,900,101
 Fund Equity:		
Fund Balances		
Reserved for:		
Encumbrances .....	48,536,740	64,366,000
Unreserved:		
Undesignated .....	71,442,560	832,100
 Total Fund Equity .....	 119,979,300	 65,198,100
 Total Liabilities and Fund Equity .....	 \$325,745,230	 \$352,098,201

See accompanying notes to general purpose financial statements.



Exhibit A-2  
CITY OF BOSTON AND COUNTY OF SUFFOLK  
GENERAL FUND  
COMPARATIVE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND EQUITY  
YEARS ENDED JUNE 30, 1988 and 1987

	1988	1987
<b>REVENUES:</b>		
Local:		
Real and personal property taxes .....	\$499,606,708	\$357,557,720
Excises .....	42,933,527	42,321,285
Payments in lieu of taxes .....	45,968,528	41,110,139
Licenses and permits .....	19,989,576	18,592,102
Fines .....	40,559,169	36,878,336
Investment income .....	22,870,501	20,214,560
Departmental and other revenue .....	42,253,222	33,620,521
Total local revenues .....	714,181,231	550,294,662
Intergovernmental:		
Commonwealth of Massachusetts .....	382,746,082	358,896,559
Other: Massachusetts Port Authority .....	5,818,654	5,522,152
Total intergovernmental revenues .....	388,564,736	364,418,711
Total revenues .....	1,102,745,967	914,713,373
<b>EXPENDITURES:</b>		
Current operations:		
General government .....	\$43,752,499	\$38,805,507
Public safety .....	198,234,439	169,527,984
Public works .....	64,961,913	56,317,248
Property and development .....	21,889,514	19,139,772
Libraries .....	20,154,771	17,687,457
Parks and recreation .....	13,981,005	9,073,778
Human services .....	5,737,908	5,798,633
Schools .....	322,748,128	284,746,056
County .....	25,866,714	22,186,798
Retirement costs .....	102,561,486	92,465,527
Other employee benefits .....	43,791,201	32,879,882
Judgments and claims .....	10,122,092	11,585,446
State and district assessments .....	46,867,851	45,213,328
Miscellaneous .....	2,099,738	3,534,550
Debt service .....	4,878,948	3,402,057
Capital outlays .....	6,310,626	6,620,376
Total expenditures .....	933,958,833	818,984,398
Excess (deficiency) of revenues over expenditures .....	168,787,134	95,728,975
Other financing sources (uses):		
Operating transfers in (out), net .....	(114,005,934)	(72,391,010)
Total other financing sources (uses) net .....	(114,005,934)	(72,391,010)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	54,781,200	23,337,965
Fund equity, beginning of year .....	65,198,100	41,860,135
Fund equity, end of year .....	\$119,979,300	\$65,198,100

See accompanying notes to general purpose financial statements.

## GENERAL FUND

## SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

## Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative actual for fiscal year ended June 30, 1987)

1988

Classification	Original Budget	Supplemental	Other Adjustments	Final Budget	1988 Actual	Variance Favorable (Unfavorable)	1987 Actual
<b>REAL AND PERSONAL PROPERTY TAXES</b>							
Real and Personal Property Taxes .....	\$424,986,871	—	—	\$424,986,871	\$425,539,057	\$552,186	\$391,543,900
Revenue class total .....	424,986,871	—	—	424,986,871	425,539,057	552,186	391,543,900
<b>MOTOR VEHICLE EXCISE</b>							
Motor Vehicle Excise — Current .....	18,500,000	—	—	18,500,000	13,845,727	(4,654,273)	—
Motor Vehicle Excise — Prior Years .....	—	—	—	—	1,546,537	1,546,537	15,854,330
Boat Excise — Current .....	20,000	—	—	20,000	23	(19,977)	—
Boat Excise — Prior Years .....	—	—	—	—	175	175	14,712
Revenue class total .....	18,520,000	—	—	18,520,000	15,392,462	(3,127,538)	15,869,042
<b>LOCAL EXCISE TAXES</b>							
Hotel / Motel Room Excise .....	11,500,000	—	—	11,500,000	12,145,770	645,770	10,397,764
Aircraft Fuel Excise .....	13,750,000	—	—	13,750,000	12,429,396	(1,320,604)	13,274,726
Revenue class total .....	25,250,000	—	—	25,250,000	24,575,166	(674,834)	23,672,486
<b>DEPARTMENTAL AND OTHER REVENUE</b>							
Penalties and Interest — Property Taxes .....	800,000	—	—	800,000	2,684,483	1,884,483	1,428,001
Penalties and Interest — Motor Vehicle .....	550,000	—	—	550,000	527,581	(22,419)	557,897
Penalties and Interest — Tax Title .....	6,500,000	—	—	6,500,000	4,824,960	(1,675,040)	5,773,206
Penalties and Interest — Boat Excise .....	—	—	—	—	6	6	11
Data Processing Services .....	600	—	—	600	385	(215)	84
Printing Services .....	100,000	—	—	100,000	(5)	(5)	—
Purchasing Services .....	150	—	—	150	25,348	(74,652)	130,830
Recording of Legal Instruments .....	750,000	—	—	750,000	192	(42)	164
Registry Division Fees .....	16,000	—	—	16,000	782,600	32,600	705,314
Sale of Publications .....	1,000	—	—	1,000	12,763	(3,237)	10,288
Assessing Fees .....	610,000	—	—	610,000	2,837	1,837	1,604
Liens .....	5,000	—	—	5,000	437,830	(172,170)	581,045
Sale of Equipment .....	240,000	—	—	240,000	(5,000)	(5,000)	—
City Clerk Fees .....	8,000	—	—	8,000	254,178	14,178	239,292
Election Fees .....	300	—	—	300	12,197	4,197	7,269
City Council Sale of Publications .....	45,000	—	—	45,000	221	(79)	119
Other General Services .....	350,000	—	—	350,000	35,912	(9,088)	29,823
Police Services .....	975,000	—	—	975,000	366,085	(608,915)	361,118
Fire Services .....	40,000	—	—	40,000	1,134,228	159,228	1,247,998
Civil Defense .....	3,900,000	—	—	3,900,000	95,838	(3,804,162)	27,465
Parking Facilities .....	2,600,000	—	—	2,600,000	3,827,900	(72,100)	2,905,269
Street, Sidewalk and Curb Repairs .....	40,000	—	—	40,000	2,342,424	(257,576)	2,410,081
Real Property — Rents .....	50,000	—	—	50,000	31,612	(18,388)	41,993
Demolition of Abandoned Structures .....	360,000	—	—	360,000	64,541	(3,460)	54,923
Building — Rents .....	50,000	—	—	50,000	120,047	(19,953)	488,974
Damage to City Property .....	—	—	—	—	10,839	(49,161)	27,757

(continued)

Exhibit A-3

CITY OF BOSTON AND COUNTY OF SUFFOLK  
GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative actual for fiscal year ended June 30, 1987)

Classification	Original Budget	Supplemental	Other Adjustments	Final Budget	1988 Actual	Variance Favorable (Unfavorable)	1987 Actual
Other Revenues — Public Facilities .....	\$30,000	—	—	\$30,000	\$10,388	\$(19,612)	\$17,889
Concessions — Parks .....	10,000	—	—	10,000	5,501	(4,499)	5,325
Miscellaneous Parks .....	3,000	—	—	3,000	1,909	(1,091)	3,956
Veterans Services .....	90,000	—	—	90,000	69,438	(20,562)	75,824
Public Works — Other Charges .....	15,000	—	—	15,000	3,205	(11,795)	9,350
Sales of Supplies and Incidentals .....	6,100	—	—	6,100	—	(6,100)	6,061
Tuition and Transportation — Schools .....	575,000	—	—	575,000	530,143	(44,857)	551,396
Instructions — Schools .....	20,000	—	—	20,000	3,811	(16,189)	2,768
Miscellaneous Receipts — Schools .....	60,000	—	—	60,000	75,801	15,801	42,714
Library Fees .....	125,000	—	—	125,000	131,068	6,068	119,579
Library of Last Recourse .....	—	\$1,697,695	—	1,697,695	1,697,695	—	1,604,738
Mass. Defenders Committee .....	1,000	—	—	1,000	254	(746)	—
Registry of Deeds .....	2,650,000	—	—	2,650,000	2,166,725	(483,275)	2,656,444
Telephone Commissions — County .....	3,300	—	—	3,300	13,721	10,421	6,134
Courthouse Custodian .....	5,000	—	—	5,000	234	(4,766)	39,761
Telephone Commissions — Jail .....	14,000	—	—	14,000	103	(13,897)	—
New Courthouse Space Rental .....	6,804,149	—	—	6,804,149	8,445,382	1,641,233	10,474,805
Telephone Commissions .....	65,000	—	—	65,000	69,149	4,149	61,414
Unclaimed Money .....	100	—	—	100	(8,464)	(8,564)	(7,431)
Insurance Proceeds .....	100,000	—	—	100,000	61,699	(38,301)	24,986
City Workmen's Comp. Reimbursement .....	—	335,000	—	335,000	539,858	204,858	—
Settlements — Water/Sewer .....	3,244,910	1,017,576	—	4,262,486	4,262,486	—	—
Pensions and Annuities .....	150,000	4,866,960	—	5,016,960	5,165,970	149,010	42,758
Fringe and Indirect .....	350,000	—	—	350,000	197,800	(152,200)	457,473
Private Detail — Admin. Costs .....	300,000	—	—	300,000	—	(300,000)	—
Contributions and Donations .....	200	—	—	200	—	(200)	155
Sale of Real Estate .....	250	—	—	250	—	(250)	3,263
Prior Year Reimbursements .....	150,000	—	—	150,000	566,399	416,399	(145,397)
Tellers Adjustments .....	300	—	—	300	176	(124)	(889)
Miscellaneous Refunds .....	270,000	—	—	270,000	167,659	(102,341)	262,455
Miscellaneous Collections .....	20,000	—	—	20,000	45,419	25,419	17,588
Mayor's Office .....	—	—	—	—	378	378	—
Miscellaneous — Treasury .....	700	—	—	700	3,577	2,877	775
Non-snow Emergency .....	—	—	—	104,350	104,350	—	—
Revenue class total .....	33,054,059	7,917,231	—	41,075,640	42,108,734	1,033,094	33,366,418
HEALTH AND HOSPITALS							
City Hospital .....	124,950,000	—	—	124,950,000	120,259,443	(4,690,557)	123,265,481
Long Island Hospital .....	9,800,000	—	—	9,800,000	17,130,693	7,330,693	9,910,870
Matapan Hospital .....	11,000,000	—	—	11,000,000	9,899,752	(1,100,248)	9,572,557
Revenue class total .....	145,750,000	—	—	145,750,000	147,289,888	1,539,888	142,748,908



# GENERAL FUND

## SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

### Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative actual for fiscal year ended June 30, 1987)  
1988

Classification	Original Budget	Supplemental	Other Adjustments	Final Budget	1988 Actual	Variance Favorable (Unfavorable)	1987 Actual
<b>COMMONWEALTH OF MASSACHUSETTS</b>							
Urban Redevelopment Ch. 121A .....	\$26,685,000	—	—	\$26,685,000	32,314,535	\$5,629,535	\$29,567,241
Government Center .....	—	—	—	—	—	—	357,570
State Owned Lands .....	—	—	—	—	—	—	1,218,911
R.E. Abatements — Veterans .....	67,111	—	—	67,111	68,450	1,339	84,562
R.E. Abatements — Widows and Other .....	264,150	—	—	264,150	264,150	—	264,150
R.E. Abatements — Blinds .....	27,213	—	—	27,213	27,650	437	27,213
Elderly Exemptions .....	1,640,755	—	—	1,640,755	1,537,843	(102,912)	1,640,755
State Lottery Local Aid .....	18,321,451	—	—	18,321,451	18,321,451	—	16,741,049
Highways — Local Aid .....	384,119	—	—	384,119	384,119	—	841,618
Veterans Services — Local Aid .....	1,407,569	—	—	1,407,569	981,452	(426,117)	1,245,087
Pensions — Retired Teachers .....	22,900,000	—	—	22,900,000	22,322,653	(577,347)	21,713,850
Local Aid — Add'l Assistance .....	265,705,619	—	—	265,705,619	265,705,619	—	225,407,778
Public Library — Local Aid .....	—	\$516,236	—	516,236	520,009	3,773	540,198
Racing Taxes .....	525,000	—	—	525,000	1,035,004	510,004	511,423
School Construction — State .....	15,689,823	—	—	15,689,823	15,190,315	(499,508)	16,233,016
School Aid Chapter 70 .....	66,870,066	—	—	66,870,066	66,870,066	—	82,257,010
Transportation of Pupils .....	10,068,310	—	—	10,068,310	9,043,667	(1,024,643)	10,243,455
Tuition for State Wards .....	928,889	—	—	928,889	2,796,286	1,867,397	935,918
Revenue class total .....	431,485,075	516,236	—	432,001,311	437,383,270	5,381,959	409,830,804
<b>IN LIEU OF TAXES</b>							
N.E. Deaconess Hospital .....	42,000	—	—	42,000	42,000	—	42,000
N.E. Medical Center Hospital .....	380,000	—	—	380,000	418,004	38,004	382,853
Digital Equipment .....	42,800	—	—	42,800	42,800	—	42,800
Blue Cross/Blue Shield .....	450,000	—	—	450,000	—	(450,000)	761,849
Old City Hall .....	425,000	—	—	425,000	584,560	159,560	428,543
Boston University .....	200,000	—	—	200,000	221,254	21,254	206,256
Urban Redevelopment Chapter 121A .....	6,900,000	—	—	6,900,000	7,281,722	381,722	7,629,485
Miscellaneous .....	25,000	—	—	25,000	4,144	(20,857)	42,098
Mass Port Authority .....	5,700,000	—	—	5,700,000	5,818,654	118,654	5,522,152
Sale of Property — Special Tax .....	110,000	363,000	—	473,000	508,396	35,396	11,127
State — Special Tax .....	20,150	—	—	20,150	—	(20,150)	36,715
Berkeley School .....	150,000	—	—	150,000	85,825	(64,175)	144,606
Trimount Foundation .....	10,000	—	—	10,000	10,000	—	4,126
Harvard Community Harvard Plan .....	200,000	—	—	200,000	192,771	(7,229)	195,953
Hood Milk .....	497,500	—	—	497,500	497,500	—	482,746
Mass General Hospital .....	380,000	—	—	380,000	383,463	3,463	379,139
Harvard University .....	895,318	—	—	895,318	895,318	—	809,931
Suffolk University .....	45,000	—	—	45,000	39,865	(5,135)	40,187
Northeastern University .....	30,570	—	—	30,570	30,570	—	30,570
N.E. Nursing Home .....	56,000	—	—	56,000	56,000	—	56,000
N.E. School of Law .....	13,125	—	—	13,125	13,125	—	13,125
Brighams and Womens hospital .....	205,000	—	—	205,000	232,000	27,000	204,508
Economic Development Industrial Corp. ....	28,402	28,401	—	56,803	254,246	197,443	—
Tufts University .....	—	81,000	—	81,000	87,000	6,000	—
Revenue class total .....	16,805,865	472,401	—	17,278,266	17,699,217	420,951	17,466,769

(continued)

**Exhibit A-3**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**GENERAL FUND**

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**Compared to Budget (Non-GAAP Budgetary Basis)**  
**Fiscal Year Ended June 30, 1988**  
**(with comparative actual for fiscal year ended June 30, 1987)**

	1988					Variance Favorable (Unfavorable)	1987 Actual
Classification	Original Budget	Supplemental	Other Adjustments	Final Budget	1988 Actual		
<b>LICENSES AND PERMITS</b>							
Building Structures and Permits . . . . .	\$13,300,000	—	—	\$13,300,000	\$14,431,174	\$1,131,174	\$13,504,135
Weights and Measures . . . . .	100,000	—	—	100,000	121,946	21,946	100,938
Street and Curb Permits . . . . .	600,000	\$400,000	—	1,000,000	1,223,730	223,730	603,588
Health Inspections . . . . .	480,000	—	—	480,000	393,976	(86,024)	442,855
Alcoholic Beverages Licenses . . . . .	2,300,000	—	—	2,300,000	2,204,253	(95,748)	2,206,300
Peddlers' Licenses . . . . .	18,000	—	—	18,000	—	(18,000)	7,900
Entertainment Licenses . . . . .	350,000	—	—	350,000	351,218	1,218	387,164
Police and Protective Permits . . . . .	400,000	—	—	400,000	335,875	(64,125)	342,047
Professional and Occupational Licenses . . . . .	110,000	—	—	110,000	97,506	(12,494)	122,110
Other Business Licenses and Permits . . . . .	850,000	—	—	850,000	829,376	(20,624)	873,777
Cable Television . . . . .	425,000	—	—	425,000	523	(424,477)	1,287
Revenue class total . . . . .	18,933,000	400,000	—	19,333,000	19,989,576	656,576	18,592,102
<b>INVESTMENT INCOME</b>							
Interest on Investments . . . . .	17,200,000	—	—	17,200,000	20,861,980	3,661,980	19,495,656
Revenue class total . . . . .	17,200,000	—	—	17,200,000	20,861,980	3,661,980	19,495,656
<b>FINES</b>							
Parking Fines . . . . .	34,476,505	2,023,495	—	36,500,000	13,177,142	(23,322,858)	14,752,501
Mail Collection of Parking fines . . . . .	—	—	—	—	24,572,724	24,572,724	19,960,218
Superior Criminal Court . . . . .	13,000	—	—	13,000	1,726	(11,275)	5,776
Supreme Judicial Court . . . . .	800	—	—	800	2,194	1,394	3,043
Municipal Criminal Court . . . . .	260,000	—	—	260,000	413,474	153,474	336,887
F & C East Boston . . . . .	110,000	—	—	110,000	168,135	58,135	88,219
F & C Brighton . . . . .	265,000	—	—	265,000	341,070	76,070	207,027
F & C Charlestown . . . . .	45,000	—	—	45,000	29,255	(15,745)	41,598
F & C Dorchester . . . . .	310,000	—	—	310,000	492,733	182,733	316,545
F & C Roxbury . . . . .	460,000	—	—	460,000	566,219	106,219	451,616
F & C South Boston . . . . .	120,000	—	—	120,000	219,612	99,612	141,305
F & C West Roxbury . . . . .	300,000	—	—	300,000	473,204	173,204	357,062
House of Correction — Regular . . . . .	20,000	—	—	20,000	40,264	20,264	16,332
House of Correction — Work release . . . . .	12,000	—	—	12,000	11,820	(180)	11,332
County Jail . . . . .	120,000	—	—	120,000	49,598	(70,402)	119,386
Revenue class total . . . . .	36,512,305	2,023,495	—	38,535,800	40,559,169	2,023,369	36,808,846
<b>SALE OF GARAGES</b>							
Sale of Garages . . . . .	3,700,000	—	—	3,700,000	3,700,000	—	—
Revenue class total . . . . .	3,700,000	—	—	8,700,700	3,700,000	—	—

(continued)

**Exhibit A-3**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**Compared to Budget (Non-GAAP Budgetary Basis)**  
**Fiscal Year Ended June 30, 1988**  
**(with comparative actual for fiscal year ended June 30, 1987)**

Classification	1988					Variance Favorable (Unfavorable)	1987 Actual
	Original Budget	Supplemental	Other Adjustments	Final Budget	1988 Actual		
TRANSFER FROM OTHER FUNDS							
Appropriated Revenue Sharing .....	\$610,000	—	—	\$610,000	\$626,250	\$16,250	\$8,640,000
Appropriated Cemetery Trustee .....	500,000	—	—	500,000	500,000	—	1,148,000
Appropriated Special Revenue .....	6,800,000	\$100,000	—	6,900,000	6,900,000	—	6,725,000
Appropriated State/Bos Retirement .....	6,760,657	—	—	6,760,657	6,760,657	—	15,948,468
Authorized Special Revenue .....	—	—	—	—	—	—	294,095
Revenue class total .....	14,670,657	100,000	—	14,770,657	14,786,907	16,250	32,755,563
OTHER AVAILABLE FUNDS							
Appropriated Fund Balance — Free Cash .....	—	13,424,568	—	13,424,568	13,424,568	—	4,016,236
Revenue class total .....	—	13,424,568	—	13,424,568	13,424,568	—	4,016,236
Total Revenues and Other Financing Sources .....	1,186,867,832	24,853,931	—	1,211,826,113	1,223,309,994	11,483,881	1,146,166,729
Less: Prior Year Deficits .....	11,066,436	—	—	11,066,436	11,066,436	—	15,112,719
Net Revenue Available for Appropriation .....	\$1,175,801,396	\$24,853,931	—	\$1,200,759,677	\$1,212,243,558	\$11,483,881	\$1,131,054,010



Exhibit A-4

CITY OF BOSTON AND COUNTY OF SUFFOLK

GENERAL FUND

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES

Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative actual for fiscal year ended June 30, 1987)

1988

Budget Title	1988					Variance Favorable (Unfavorable)	1987 Actual	
	Original Budget	Supplementals	Mayoral Reallocations	Other Adjustments	Final Budget			Actual
GENERAL GOVERNMENT								
Mayor's Office.....	\$991,985	—	\$25,000	—	\$1,016,985	\$945,795	\$71,190	\$905,739
City Council.....	2,324,129	—	—	—	2,324,129	1,973,694	350,435	2,012,167
Consumer Affairs and Licensing.....	569,728	—	20,000	—	589,728	586,314	3,414	446,951
Election Department.....	2,249,990	\$350,000	—	—	2,599,990	2,414,844	185,146	1,998,079
Election Department — Listing Board.....	450,000	—	—	—	450,000	410,823	39,177	427,604
Auditing Department.....	1,485,117	—	—	—	1,485,117	1,442,166	42,951	1,298,317
Assessing Department.....	7,366,969	—	—	—	7,366,969	7,045,076	321,893	6,144,252
Treasury Department — Collecting Div.....	2,289,965	—	—	—	2,289,965	2,085,368	204,597	1,700,563
Treasury Department — Treasury Div.....	1,286,817	—	—	—	1,286,817	1,122,544	164,273	1,008,000
Admin. Svc. — Budget/Program Evaluation.....	2,245,544	—	25,000	\$205,000	2,475,544	2,277,475	198,069	2,358,758
Admin. Svc. — Personnel Management.....	1,399,276	—	65,000	(20,000)	1,444,276	1,318,869	125,407	1,146,618
Admin. Svc. — Purchasing Division.....	894,600	—	60,000	—	954,600	910,823	43,777	807,782
Admin. Svc. — Contract Management.....	125,049	—	25,000	—	150,049	137,587	12,462	109,826
Admin. Svc. — Printing Division.....	2,005,120	—	—	—	2,005,120	1,883,693	121,427	1,770,731
Admin. Svc. — Cable and Telecommunications.....	368,000	—	40,000	45,000	453,000	441,488	11,512	435,664
Admin. Svc. — Labor Relations.....	355,326	—	—	10,000	365,326	347,721	17,605	289,332
Admin. Svc. — Management Information Systems.....	7,931,100	—	—	(60,000)	7,871,100	7,622,462	248,638	8,160,911
Admin. Svc. — Intergovernmental Relations.....	466,361	—	110,000	10,000	586,361	555,673	30,688	—
Law Department.....	2,725,000	—	300,000	—	3,025,000	2,856,173	168,828	2,843,734
Major Vendor Clearing Account.....	—	—	—	—	—	289,842	(289,842)	126,817
City Clerk.....	398,818	—	20,000	—	418,818	384,157	34,661	354,051
Registry Division.....	619,829	—	—	—	619,829	575,357	44,472	513,150
Boston Redevelopment Authority.....	—	—	—	17,955	17,955	17,931	24	—
Finance Commission.....	146,067	—	—	—	146,067	139,472	6,595	142,691
Freedom Trail Commission.....	250,000	—	—	—	250,000	250,000	—	200,000
Non-snow Emergency.....	—	—	—	104,350	104,350	188,000	(83,650)	—
Reserve Fund.....	—	4,500,000	—	—	4,500,000	4,500,000	—	8,500,000
Policy Office.....	599,714	—	—	—	599,714	524,848	74,866	391,200
Fair Housing Commission.....	179,332	—	30,000	—	209,332	190,864	18,468	165,954
Emergency Shelter Commission.....	133,313	—	—	—	133,313	86,304	47,009	78,791
Press Office.....	93,060	—	103,000	—	196,060	148,213	47,847	150,841
Neighborhood Services.....	1,070,000	—	250,000	—	1,320,000	1,216,303	103,697	985,062
Business and Cultural Development.....	957,672	—	160,000	—	1,117,672	1,093,788	23,884	896,829
Capital Planning.....	401,764	—	—	—	401,764	361,188	40,576	295,475
Women's Commission.....	74,734	—	—	—	74,734	64,742	9,992	63,294
Human Rights Commission.....	234,366	—	—	—	234,366	160,295	74,071	166,034
Cemetery Division.....	—	—	—	—	—	(1)	1	—
Costs of Issuance — Rans.....	1,050,000	—	—	—	1,050,000	1,030,096	19,904	1,028,563
Annual Audit Costs.....	550,000	—	—	—	550,000	485,012	64,988	542,084
Boston Committee.....	—	—	—	—	—	—	—	190,000
Employment Commission.....	—	—	—	—	—	—	—	58,787
Activity Total.....	44,288,745	4,850,000	1,233,000	312,305	50,684,050	48,084,998	2,599,052	46,714,648



**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES**  
**Compared to Budget (Non-GAAP Budgetary Basis)**  
**Fiscal Year Ended June 30, 1988**  
**(with comparative actual for fiscal year ended June 30, 1987)**

1988

Budget Title	Original Budget	Supplementals	Mayoral Reallocations	Other Adjustments	Final Budget	Actual	Variance Favorable (Unfavorable)	1987 Actual
<b>HUMAN SERVICES</b>								
Rent Equity Board .....	\$1,018,847	—	\$65,000	—	\$1,083,847	\$1,070,951	\$12,896	\$938,157
Elderly Commission .....	2,388,532	—	—	—	2,388,532	2,115,387	273,145	2,084,116
Commission on the Handicapped .....	161,907	—	5,000	—	166,907	162,520	4,387	125,806
Arts and Humanities Office .....	130,000	—	40,000	—	170,000	160,111	9,889	120,388
Veterans Services Department .....	2,843,613	—	—	—	2,843,613	2,220,029	623,584	2,637,235
Veterans Graves Registration .....	146,370	—	—	—	146,370	140,382	5,988	130,800
Jobs and Community Services .....	249,410	—	81,000	—	330,410	289,318	41,092	—
Activity Total .....	6,938,679	—	191,000	—	7,129,679	6,158,699	970,980	6,036,502
<b>PUBLIC SAFETY</b>								
Police Department .....	97,251,952	\$7,750,000	—	—	105,001,952	105,018,913	(16,961)	92,841,498
Fire Department .....	72,693,630	2,000,000	—	—	74,693,630	74,837,123	(143,493)	68,246,879
Arson Commission .....	94,605	—	9,000	—	103,605	79,078	24,527	66,057
Traffic and Parking Department .....	13,214,400	100,000	—	—	13,314,400	12,844,826	469,574	10,827,622
Licensing Board .....	502,725	—	15,000	—	517,725	476,751	40,974	425,261
Transportation — Parking Clerk .....	7,100,000	—	—	—	7,100,000	7,173,983	(73,983)	6,277,434
Inspectional Services Department .....	9,116,641	—	150,000	—	9,266,641	9,112,429	154,212	7,730,905
Activity Total .....	199,973,953	9,850,000	174,000	—	209,997,953	209,543,102	454,851	186,415,655
<b>PUBLIC WORKS</b>								
Public Works Department .....	61,121,067	940,000	—	—	62,061,067	60,087,102	1,973,965	54,737,468
Snow Removal .....	2,250,000	—	—	—	2,250,000	4,821,876	(2,571,876)	4,774,403
Activity Total .....	63,371,067	940,000	—	—	64,311,067	64,908,978	(597,911)	59,511,870
<b>PROPERTY AND DEVELOPMENT</b>								
Real Property — Administration .....	379,996	—	50,000	—	429,996	345,410	84,586	—
Real Property — County .....	899,998	—	100,000	—	999,998	996,808	3,190	793,413
Real Property — Building Division .....	5,400,000	—	—	—	5,400,000	5,690,531	(290,531)	4,946,889
Real Property — Property Division .....	1,830,000	—	—	—	1,830,000	1,775,624	54,376	850,775
Real Property — Code Enforcement .....	446,359	—	50,000	—	496,359	300,652	195,707	—
Public Facilities — Administration .....	3,612,505	—	—	430,127	4,042,632	4,200,866	(158,234)	9,800,344
Public Facilities — Construction/Repair .....	3,681,864	—	—	(430,127)	3,251,737	3,121,012	130,725	—
Public Facilities — Security Division .....	3,455,150	—	—	—	3,455,150	3,018,531	436,619	1,601,103
PFD — Community Schools Programs .....	6,090,000	—	190,000	—	6,280,000	6,247,343	32,657	3,002,880
Boston Redevelopment Authority .....	—	—	—	—	—	—	—	2,291,057
Activity Total .....	25,795,872	—	390,000	—	26,185,872	25,696,778	489,094	23,286,441
<b>PARKS AND RECREATION</b>								
Parks and Recreation Department .....	11,500,143	1,100,000	—	—	12,600,143	12,604,668	(4,525)	9,239,077
Environmental Division .....	531,983	—	25,000	—	556,983	516,215	40,768	466,901
Cemetery Division .....	1,149,991	—	—	—	1,149,991	1,111,876	38,115	1,121,204
Activity Total .....	13,182,117	1,100,000	25,000	—	14,307,117	14,232,759	74,358	10,827,181

(continued)

Exhibit A-4

CITY OF BOSTON AND COUNTY OF SUFFOLK

GENERAL FUND

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES

Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative totals for fiscal year ended June 30, 1987)

1988

Budget Title	Original Budget	Supplementals	Mayoral Reallocations	Other Adjustments	Final Budget	Actual	Variance Favorable (Unfavorable)	1987 Actual
<b>LIBRARY</b>								
Library Department .....	\$ 17,203,478	\$2,913,931	—	—	\$ 20,117,409	\$ 20,193,400	\$ (75,991)	\$ 17,636,310
<b>SCHOOLS</b>								
General School Purposes .....	311,600,000	—	—	—	311,600,000	318,578,076	(6,978,076)	290,020,053
<b>HEALTH AND HOSPITALS</b>								
Health and Hospitals Department .....	152,703,000	4,750,000	—	—	157,453,000	157,243,478	209,522	140,789,182
<b>COUNTY CORRECTIONS</b>								
Registry of Deeds .....	1,617,350	—	\$ 10,000	—	1,627,350	1,536,269	91,081	1,468,969
Courthouse Custodian .....	4,499,468	—	—	—	4,499,468	4,786,621	(287,153)	4,182,276
Suffolk County Jail .....	7,807,541	450,000	—	—	8,257,541	7,895,720	361,821	7,137,119
Penal Department .....	10,399,959	—	200,000	—	10,599,959	10,860,256	(260,297)	9,368,162
Activity Total .....	24,324,318	450,000	210,000	—	24,984,318	25,078,865	(94,547)	22,156,527
<b>JUDGMENTS AND CLAIMS</b>								
Execution of Courts .....	5,000,000	—	—	—	5,000,000	3,386,675	1,613,325	4,716,559
<b>EMPLOYEE BENEFITS</b>								
Medicare Payments .....	450,000	—	—	—	450,000	765,186	(315,186)	—
ASD—Hospitalization and Insurance .....	37,550,000	—	—	\$(190,000)	37,360,000	36,451,399	908,601	35,253,131
Retirement Board .....	1,649,494	—	—	—	1,649,494	1,649,863	(369)	1,486,848
Workmen's Compensation Services .....	365,001	—	—	—	365,001	313,956	51,045	262,188
Workmen's Compensation Fund .....	2,100,000	—	—	—	2,100,000	1,537,149	562,851	1,852,830
Activity Total .....	42,114,495	—	—	(190,000)	41,924,495	40,717,552	1,206,943	38,854,997
<b>CONTRIBUTIONS TO RETIREMENT FUNDS</b>								
Unemployment Compensation .....	150,000	—	—	—	150,000	16,829	133,171	11,023
Pensions and Annuities—City .....	9,623,640	—	—	—	9,623,640	11,447,564	(1,823,924)	9,629,544
Pensions and Annuities—County .....	780,000	—	—	—	780,000	790,630	(10,630)	794,478
State-Boston Retirement System .....	127,663,092	—	—	—	127,663,092	130,497,749	(2,834,657)	131,813,863
Activity Total .....	138,216,732	—	—	—	138,216,732	142,752,772	(4,536,040)	142,248,908
<b>DEBT REQUIREMENTS</b>								
Minibonds .....	4,790,300	—	—	—	4,790,300	4,790,300	—	1,030,000
Redemption of City Loans .....	46,650,000	—	(1,500,000)	—	45,150,000	45,150,000	—	44,565,000
City Debt and Interest Payments .....	32,874,679	—	(723,000)	—	32,151,679	32,151,679	—	36,663,408
Interest on Temporary Loans .....	500,000	—	—	—	500,000	500,000	—	2,991,778
Interest on Refunded Taxes .....	15,000	—	—	—	15,000	—	15,000	—
Activity Total .....	84,829,979	—	(2,223,000)	—	82,606,979	82,591,979	15,000	85,250,185

**Exhibit A-4**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES**  
**Compared to Budget (Non-GAAP Budgetary Basis)**  
**Fiscal Year Ended June 30, 1988**  
**(with comparative totals for fiscal year ended June 30, 1987)**

1988

Budget Title	1988						Variance Favorable (Unfavorable)	1987 Actual
	Original Budget	Supplementals	Mayoral Reallocations	Other Adjustments	Final Budget	Actual		
STATE AND DISTRICT ASSESSMENTS								
State Exam of Retirement .....	\$ 181,470	—	—	—	\$ 181,470	\$ 181,470	—	\$ 83,430
Health Insurance/Retirement .....	675,722	—	—	—	675,722	675,722	—	448,671
Mosquito Control Projects .....	66,212	—	—	—	66,212	66,212	—	52,731
Special Education Chapter 766 .....	448,920	—	—	—	448,920	478,178	\$ (29,258)	409,248
Suffolk County Extension Service .....	3,863	—	—	—	3,863	—	3,863	—
Metropolitan Air Pollution Center .....	110,229	—	—	—	110,229	110,229	—	102,208
Metropolitan Area Planning .....	105,811	—	—	—	105,811	105,811	—	102,000
M.B.T. A Assessments .....	44,655,336	—	—	\$ (17,955)	44,637,381	44,637,381	—	44,004,276
M.D.C Assessments .....	11,399	—	—	—	11,399	11,396	3	10,764
Activity Total .....	46,258,962	—	—	(17,955)	46,241,007	46,266,399	(25,392)	45,213,328
Total Expenditures .....	\$1,175,801,397	\$24,853,931	—	\$104,350	\$1,200,759,678	\$1,205,434,509	\$ (4,674,831)	\$1,121,678,345





## SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than Debt Service, Expendable Trusts or Capital Projects) that are legally restricted to expenditures for specific purposes.

*Federal Revenue Sharing.* Are funds provided by the U.S. Department of Treasury. For the past several years the City of Boston has used its Federal Revenue Sharing to support the Boston Police Personnel expenditures.

*Jobs Training Partnership Act.* Are funds received from the U.S. Department of Labor and the Commonwealth of Massachusetts for various job training programs which benefit low- and moderate-income residents of the City.

*ECLA Chapter 1.* This fund accounts for money received from the U.S. Department of Education to provide instruction to students from low-income households.

*Neighborhood Development Fund.* Accounts for loan repayments from Urban Development Action Grants which provides real estate loans to low- and moderate-income residents of the City.

*Other Special Revenue.* This fund accounts for an array of State, Federal and Local grant funds that support programs administered by various municipal departments.

*School Lunch Program.* Accounts for money received from the U.S. Department of Agriculture to provide nutritious meals for Boston Public School students.

*Community Development Block Grant.* Accounts for the use of grants received from the Department of Housing and Urban Development for housing, community development and social programs.

*Urban Development Action Grants.* Accounts for the use of grants received from the Department of Housing and Urban Development for specific housing, community development and social programs.

*Boston Redevelopment Authority.* Accounts for funds provided by capital projects, Community Development Block Grants, Urban Development Action Grants and the Neighborhood Development Fund. The Authority was created for the general purpose of planning, coordinating and assisting in the implementation of the revitalization and development of the Boston area.



## **SPECIAL REVENUE FUNDS**

**Exhibit B-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**JUNE 30, 1988**  
**(with comparative totals for June 30, 1987)**

	Federal Revenue Sharing	School Lunch Program	C.D.B.G.	Urban Devlpmt. Action Grants
<b>ASSETS</b>				
Cash and Short-term Investments .....	—	—	\$4,457,515	\$1,358,052
Receivables (net, where applicable, of allowances for estimated uncollectible amounts:				
Intergovernmental .....	—	\$2,214,566	—	—
Accounts .....	—	—	—	—
Due from other funds .....	—	8,543,594	5,390,585	—
Other Assets .....	—	—	—	—
Total Assets .....	—	\$10,758,160	\$9,848,100	\$1,358,052
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Warrants and accounts payable .....	—	—	\$1,017,518	\$2,327,878
Accrued liabilities:				
Other .....	—	\$2,571,264	—	—
Due to other funds .....	—	—	1,539,004	—
Deferred revenue .....	—	—	9,896,523	—
Total Liabilities .....	—	2,571,264	12,453,045	2,327,878
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Encumbrances and continuing appropriations .....	—	—	10,587,604	7,108,091
<b>Unreserved:</b>				
Designated .....	—	—	—	—
Undesignated .....	—	8,186,896	(13,192,549)	(8,077,917)
Total fund equity .....	—	8,186,896	(2,604,945)	(969,826)
Total liabilities and fund equity .....	—	\$10,758,160	\$9,848,100	\$1,358,052

See accompanying notes to general purpose financial statements.

Note: Certain 1987 balances have been reclassified to conform with 1988 reporting practices.



**Exhibit B-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**JUNE 30, 1988**  
**(with comparative totals for June 30, 1987)**

Job Training Partnership Act	ECIA Chapter 1	Neighborhood Development	Other Special Revenue	Boston Redevelopment Authority	Totals	
					1988	1987
\$2,380,187	—	\$1,860,932	\$8,426	\$5,378,613	\$15,443,725	\$16,362,281
—	\$615,084	—	10,698,082	687,945	14,215,677	11,567,892
—	—	—	2,609,311	—	2,609,311	1,954,635
384,167	—	1,610,764	31,735,512	2,319,903	49,984,525	48,489,363
—	—	—	—	33,831	33,831	33,831
\$2,764,354	\$615,084	\$3,471,696	\$45,051,331	\$8,420,292	\$82,287,069	\$78,408,002
\$1,630,278	\$745,061	\$1,619,243	\$7,028,539	\$2,457,565	\$16,826,082	\$18,530,883
—	—	—	13,339,388	2,752,658	18,663,310	26,701,810
11,034	2,131,932	—	—	3,681,970	2,325,976	—
—	—	—	4,334,428	—	14,230,951	—
1,641,312	2,876,993	1,619,243	24,702,355	5,210,223	53,402,313	47,558,669
4,366,237	—	894,471	19,545,024	—	42,501,427	43,588,332
—	—	—	—	2,233,756	2,233,756	2,232,000
(3,243,195)	(2,261,909)	957,982	803,952	976,313	(15,580,427)	(14,970,999)
1,123,042	(2,261,909)	1,852,453	20,348,976	3,210,069	28,884,756	30,849,333
\$2,764,354	\$ 615,084	\$3,471,696	\$45,051,331	\$8,420,292	\$82,287,069	\$78,408,002

**Exhibit B-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, OPERATING**  
**TRANSFERS AND CHANGES IN FUND EQUITY**  
**YEAR ENDED JUNE 30, 1988**

	Federal Revenue Sharing	School Lunch Program	C.D.B.G.
<b>REVENUES:</b>			
Local:			
Investment Income .....	\$ 28,945	—	\$ 45,844
Department .....	—	—	—
Total Local Revenues .....	28,945	—	45,844
Intergovernmental:			
Federal .....	626,572	\$11,950,032	22,653,821
Commonwealth of Massachusetts .....	—	—	—
Total Intergovernmental .....	626,572	11,950,032	22,653,821
Total Revenues .....	655,517	11,950,032	22,699,665
<b>EXPENDITURES:</b>			
Current Operations:			
General Government .....	—	—	—
Public Safety .....	626,250	—	—
Public Works .....	—	—	—
Libraries .....	—	—	—
Parks and Recreation .....	—	—	—
Community Development .....	—	—	19,190,433
Human Services .....	—	—	8,990
Schools .....	—	11,470,779	—
Retirement Costs .....	—	—	—
Miscellaneous .....	—	—	—
Capital Outlays .....	—	—	992,846
Total Expenditures .....	626,250	11,470,779	20,192,269
Excess (deficiency) of Revenues over Expenditures .....	29,267	479,253	2,507,396
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers from (to), net .....	—	—	(1,759,000)
Total other financing sources (uses), net .....	—	—	(1,759,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	29,267	479,253	748,396
Fund Equity, Beginning of Year .....	(29,267)	7,707,643	(3,353,341)
Adjustment for change in fiscal year end of Boston Redevelopment Authority .....	—	—	—
Fund Equity, End of Year .....	—	\$8,186,896	\$(2,604,945)

See accompanying notes to general purpose financial statements.

**Exhibit B-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, OPERATING**  
**TRANSFERS AND CHANGES IN FUND EQUITY**  
**YEAR ENDED JUNE 30, 1988**

Urban Devlpmt. Action Grants	Job Training Partnership Act	ECIA Chapter 1	Neighborhood Development	Other Special Revenue	Boston Redevelopment Authority	Totals	
						1988	1987
—	—	—	—	\$ 612,608	\$ 306,658	\$ 994,055	\$ 786,358
—	—	—	—	17,589,089	2,639,603	20,228,692	10,195,725
—	—	—	—	18,201,697	2,946,261	21,222,747	10,982,083
\$5,059,093	\$10,472,065	\$12,176,243	\$1,746,521	6,914,844	59,749	71,658,940	65,381,010
—	—	—	—	21,757,564	—	21,757,564	22,163,232
5,059,093	10,472,065	12,176,243	1,746,521	28,672,408	59,749	93,416,504	87,544,242
5,059,093	10,472,065	12,176,243	1,746,521	46,874,105	3,006,010	114,639,251	98,526,325
—	—	—	—	302,883	—	302,883	1,866,340
—	—	—	—	8,008,184	—	8,634,434	15,432,105
—	—	—	—	4,845,569	—	4,845,569	232,410
—	—	—	—	1,289,211	—	1,289,211	1,107,073
—	—	—	—	3,989,282	—	3,989,282	519,160
5,685,723	—	—	1,881,398	854,359	3,725,374	31,337,287	18,261,369
—	11,453,246	—	—	1,096,960	—	12,559,196	15,015,766
—	—	14,356,690	—	24,934,502	—	50,761,971	49,138,236
—	—	—	—	—	204,000	204,000	204,000
—	—	—	—	—	—	—	2,125,520
—	—	—	—	851,514	—	1,844,360	2,129,459
5,685,723	11,453,246	14,356,690	1,881,398	46,172,464	3,929,374	115,768,193	106,031,438
(626,630)	(981,181)	(2,180,447)	(134,877)	701,641	(923,364)	(1,128,942)	(7,505,113)
—	—	—	—	—	1,321,123	(437,877)	(393,832)
—	—	—	—	—	(1,321,123)	(437,877)	(393,832)
(626,630)	(981,181)	(2,180,447)	(134,877)	701,641	397,759	(1,566,819)	(7,898,945)
(343,196)	2,104,223	(81,462)	1,987,330	19,647,335	3,210,069	30,849,334	38,748,277
—	—	—	—	—	(397,759)	(397,759)	—
\$ (969,826)	\$ 1,123,042	\$ 2,261,909	\$ 1,852,453	\$ 20,348,976	\$ 3,210,069	\$ 28,884,756	\$ 30,849,333

**Exhibit B-3**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**FEDERAL REVENUE SHARING**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	—	\$3,610,733
Total Assets .....	—	\$3,610,733
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	—	\$3,640,000
Total liabilities .....	—	3,640,000
Fund Balances:		
Unreserved:		
Undesignated .....	—	(29,267)
Total fund equity .....	—	(29,267)
Total liabilities and fund equity .....	—	\$3,610,733

See accompanying notes to general purpose financial statements.



**Exhibit B-4**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**FEDERAL REVENUE SHARING**

**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local:		
Investment income .....	\$ 28,945	—
Departmental and other .....	—	\$ 332,890
Total local revenues .....	28,945	332,890
Intergovernmental:		
Federal .....	626,572	6,952,979
Total intergovernmental revenues .....	626,572	6,953,979
Total revenues .....	655,517	7,285,869
<b>EXPENDITURES:</b>		
Current operations:		
Public safety .....	626,250	8,640,000
Total expenditures .....	626,250	8,640,000
Excess (deficiency) of revenues over expenditures .....	29,267	(1,354,131)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	—	—
Total other financing sources (uses) net .....	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing Uses .....	29,267	(1,354,131)
Fund equity, beginning of year .....	(29,267)	1,324,864
Fund equity, end of year .....	—	\$ (29,267)

See accompanying notes to general purpose financial statements.

**Exhibit B-5**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SCHOOL LUNCH PROGRAM**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS:</b>		
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Accounts . . . . .	\$ 2,214,566	—
Due from other funds . . . . .	8,543,594	\$8,728,465
Total assets . . . . .	<u>\$10,758,160</u>	<u>\$8,728,465</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable . . . . .	—	\$1,020,822
Due to other funds . . . . .	\$2,571,264	—
Total liabilities . . . . .	<u>2,571,264</u>	<u>1,020,822</u>
Fund Balances:		
Unreserved:		
Undesignated . . . . .	8,186,896	7,707,643
Total fund equity . . . . .	8,186,896	7,707,643
Total liabilities and fund equity . . . . .	<u>\$10,758,160</u>	<u>\$8,728,465</u>

See accompanying notes to general purpose financial statements.

**Exhibit B-6**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SCHOOL LUNCH PROGRAM**

**Comparative Statement of Revenues, Expenditures,  
Operating Transfers and Changes in Fund Equity  
Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Intergovernmental:		
Federal .....	\$11,950,032	\$ 9,901,814
Total intergovernmental revenues .....	11,950,032	9,901,814
Total revenues .....	11,950,032	9,901,814
<b>EXPENDITURES:</b>		
Current operations:		
Schools .....	11,470,779	10,029,441
Total expenditures .....	11,470,779	10,029,441
Excess (deficiency) of revenues over expenditures .....	479,253	(127,627)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	—	—
Total other financing sources (uses) net .....	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	479,253	(127,627)
Fund equity, beginning of year .....	7,707,643	7,835,270
Fund equity, end of year .....	\$ 8,186,896	\$7,707,643

See accompanying notes to general purpose financial statements.

**Exhibit B-7**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**COMMUNITY BLOCK GRANT**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$4,457,515	\$2,303,205
Due from other funds .....	5,390,585	1,998,251
Total assets .....	<u>\$9,848,100</u>	<u>\$4,301,456</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 1,017,518	\$ 1,398,090
Accrued liabilities:		
Other .....	—	5,100,000
Due to other funds .....	1,539,004	1,156,707
Deferred revenue .....	9,896,523	—
Total liabilities .....	<u>12,453,045</u>	<u>7,654,797</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	10,587,604	—
Unreserved:		
Undesignated .....	(13,192,549)	(3,353,341)
Total fund equity .....	<u>(2,604,945)</u>	<u>(3,353,341)</u>
Total liabilities and fund equity .....	<u>\$9,848,100</u>	<u>\$4,301,456</u>

See accompanying notes to general purpose financial statements.



**Exhibit B-8**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local:		
Investment income .....	\$ 45,844	—
Other .....	—	\$ 146,809
Total local revenues .....	45,844	146,809
Intergovernmental:		
Federal .....	22,653,821	13,270,396
Total intergovernmental revenues .....	22,653,821	13,270,396
Total revenues .....	22,699,665	13,417,205
<b>EXPENDITURES:</b>		
Current operations:		
Community development .....	19,190,433	12,456,374
Human services .....	8,990	421,053
Capital outlays .....	992,846	347,980
Total expenditures .....	20,192,269	13,225,407
Excess (deficiency) of revenues over expenditures .....	2,507,396	191,798
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	(1,759,000)	—
Total other financing sources (uses), net .....	(1,759,000)	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	748,396	191,798
Fund equity, beginning of year .....	(3,353,341)	(3,545,139)
Fund equity, end of year .....	\$(2,604,945)	\$(3,353,341)

See accompanying notes to general purpose financial statements.

**Exhibit B-9**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**URBAN DEVELOPMENT ACTION GRANTS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 1,358,052	\$1,284,682
Total assets .....	<u>\$ 1,358,052</u>	<u>\$1,284,682</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 2,327,878	\$1,627,878
Total liabilities .....	<u>2,327,878</u>	<u>1,627,878</u>
Fund Balances:		
Reserved for:		
Encumbrances .....	7,108,091	—
Unreserved:		
Undesignated .....	(8,077,917)	(343,196)
Total fund equity .....	<u>(969,826)</u>	<u>(343,196)</u>
Total liabilities and fund equity .....	<u>\$ 1,358,052</u>	<u>\$1,284,682</u>

See accompanying notes to general purpose financial statements.

**Exhibit B-10**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**URBAN DEVELOPMENT ACTION GRANTS**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Intergovernmental:		
Federal .....	\$5,059,093	\$2,851,412
Total intergovernmental revenues .....	5,059,093	2,851,412
Total revenues .....	5,059,093	2,851,412
<b>EXPENDITURES:</b>		
Current operations:		
Community development .....	5,685,723	1,587,408
Total expenditures .....	5,685,723	1,587,408
Excess (deficiency) of revenues over expenditures .....	(626,630)	1,264,004
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net. ....	—	—
Total other financing sources (uses) net .....	—	—
Excess (deficiency) of revenues and other financing		
sources over expenditures and other financing uses .....	(626,630)	1,264,004
Fund equity, beginning of year .....	(343,196)	(1,607,200)
Fund equity, end of year .....	\$ (969,826)	\$ (343,196)

See accompanying notes to general purpose financial statements.

**Exhibit B-11**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**JOBS TRAINING PARTNERSHIP ACT**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$2,380,187	\$1,845,521
Due from other funds .....	384,167	1,426,877
Total assets .....	<u>\$2,764,354</u>	<u>\$3,272,398</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$1,630,278	\$378,547
Accrued liabilities:		
Other .....	—	789,628
Due to other funds .....	11,034	—
Total liabilities .....	<u>1,641,312</u>	<u>1,168,175</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	4,366,237	2,104,223
Unreserved:		
Undesignated .....	(3,243,195)	—
Total fund equity .....	<u>1,123,042</u>	<u>2,104,223</u>
Total liabilities and fund equity .....	<u>\$2,764,354</u>	<u>\$3,272,398</u>

See accompanying notes to general purpose financial statements.



**Exhibit B-12**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**JOBS TRAINING PARTNERSHIP ACT**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Intergovernmental:		
Federal .....	\$10,472,065	\$6,760,512
Total intergovernmental revenues .....	10,472,065	6,760,512
Total revenues .....	10,472,065	6,760,512
<b>EXPENDITURES:</b>		
Current operations:		
Human services .....	11,453,246	6,083,166
Total expenditures .....	11,453,246	6,083,166
Excess (deficiency) of revenues over expenditures .....	(981,181)	677,346
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	—	—
Total other financing sources (uses) net .....	—	—
Excess (deficiency) of revenues and other financing		
Sources over expenditures and other financing uses .....	(981,181)	677,346
Fund equity, beginning of year .....	2,104,223	1,426,877
Fund equity, end of year .....	\$1,123,042	\$2,104,223

See accompanying notes to general purpose financial statements.

**Exhibit B-13**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ECIA CHAPTER 1**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Intergovernmental .....	\$ 615,084	—
Due from other funds .....	—	\$1,539,653
Total assets .....	<u>\$ 615,084</u>	<u>\$1,539,653</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 745,061	\$1,571,534
Due to other funds .....	2,131,932	49,591
Total liabilities .....	<u>2,876,993</u>	<u>1,621,115</u>
Fund Balances:		
Unreserved:		
Undesignated .....	(2,261,909)	(81,462)
Total fund equity .....	<u>(2,261,909)</u>	<u>(81,462)</u>
Total liabilities and fund equity .....	<u>\$ 615,084</u>	<u>\$1,539,653</u>

See accompanying notes to general purpose financial statements.

**Exhibit B-14**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ECIA CHAPTER 1**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Intergovernmental:		
Federal .....	\$12,176,243	\$14,652,998
Total intergovernmental revenues .....	12,176,243	14,652,998
Total revenues .....	12,176,243	14,652,998
<b>EXPENDITURES:</b>		
Current operations:		
Schools .....	14,356,690	14,405,585
Total expenditures .....	14,356,690	14,405,585
Excess (deficiency) of revenues over expenditures .....	(2,180,447)	247,413
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	—	—
Total other financing sources (uses) net .....	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(2,180,447)	247,413
Fund equity, beginning of year .....	(81,462)	(328,875)
Fund equity, end of year .....	\$ (2,261,909)	\$ (81,462)

See accompanying notes to general purpose financial statements.

**Exhibit B-15**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**NEIGHBORHOOD DEVELOPMENT**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$1,860,932	\$1,939,527
Due from other funds .....	1,610,764	2,556,008
Total assets .....	<u>3,471,696</u>	<u>\$4,495,535</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$1,619,243	\$1,635,265
Accrued liabilities:		
Other .....	—	872,940
Total liabilities .....	<u>1,619,243</u>	<u>2,508,205</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	894,471	1,987,330
Unreserved:		
Undesignated .....	957,982	—
Total fund equity .....	<u>1,852,453</u>	<u>1,987,330</u>
Total liabilities and fund equity .....	<u>\$3,471,696</u>	<u>\$4,495,535</u>

See accompanying notes to general purpose financial statements.



**Exhibit B-16**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**NEIGHBORHOOD DEVELOPMENT**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Intergovernmental:		
Federal .....	\$1,746,521	\$1,135,949
Total intergovernmental revenues .....	1,746,521	1,135,949
Total revenues .....	1,746,521	1,135,949
<b>EXPENDITURES:</b>		
Current operations:		
Community development .....	1,881,398	1,635,265
Total expenditures .....	1,881,398	1,635,265
Excess (deficiency) of revenues over expenditures .....	(134,877)	(499,316)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	—	—
Total other financing sources (uses) net .....	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(134,877)	(499,316)
Fund equity, beginning of year .....	1,987,330	2,486,646
Fund equity, end of year .....	\$1,852,453	\$1,987,330

See accompanying notes to general purpose financial statements.

**Exhibit B-17**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**OTHER SPECIAL REVENUE**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments . . . . .	\$ 8,426	—
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Intergovernmental . . . . .	10,698,082	\$10,879,947
Accounts . . . . .	2,609,311	1,954,635
Due from other funds . . . . .	31,735,512	29,920,206
Total assets . . . . .	<u>\$45,051,331</u>	<u>\$42,754,788</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable . . . . .	\$ 7,028,539	\$ 4,801,192
Accrued liabilities:		
Other . . . . .	13,339,388	17,186,584
Due to other funds . . . . .	—	1,119,678
Deferred revenue . . . . .	4,334,428	—
Total liabilities . . . . .	<u>24,702,355</u>	<u>23,107,454</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations . . . . .	19,545,024	19,647,334
Unreserved:		
Undesignated . . . . .	803,952	—
Total fund equity . . . . .	<u>20,348,976</u>	<u>19,647,334</u>
Total liabilities and fund equity . . . . .	<u>\$45,051,331</u>	<u>\$42,754,788</u>

See accompanying notes to general purpose financial statements.

**Exhibit B-18**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**OTHER SPECIAL REVENUE**

**Comparative Statement of Revenues, Expenditures,  
Operating Transfers and Changes in Fund Equity  
Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local:		
Investment income .....	\$ 612,608	—
Departmental .....	17,589,089	\$ 8,877,246
Total local revenues .....	18,201,697	8,877,246
Intergovernmental:		
Federal .....	6,914,844	9,795,201
Commonwealth of Massachusetts .....	21,757,564	22,163,232
Total intergovernmental revenues .....	28,672,408	31,958,433
Total revenues .....	46,874,105	40,835,679
<b>EXPENDITURES:</b>		
Current operations:		
General government .....	302,882	1,866,340
Public safety .....	8,008,184	6,792,105
Public Works .....	4,845,569	232,410
Library .....	1,289,211	1,107,073
Parks and Recreation .....	3,989,282	519,160
Community Development .....	854,359	178,071
Human Services .....	1,096,960	8,511,547
Schools .....	24,934,502	24,703,210
Miscellaneous .....	—	2,125,519
Capital outlays .....	851,514	1,781,479
Total expenditures .....	46,172,464	47,816,914
Excess (deficiency) of revenues over expenditures .....	701,641	(6,981,235)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	—	(1,714,954)
Total other financing sources (uses) net .....	—	(1,714,954)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	701,641	(8,696,189)
Fund equity, beginning of year .....	19,647,335	28,343,523
Fund equity, end of year .....	\$20,348,976	\$19,647,334

See accompanying notes to general purpose financial statements.

**Exhibit B-19**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**BOSTON REDEVELOPMENT AUTHORITY**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$5,378,613	\$5,378,613
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Intergovernmental .....	687,945	687,945
Due from other funds .....	2,319,903	2,319,903
Other assets .....	33,831	33,831
Total assets .....	<u>\$8,420,292</u>	<u>\$8,420,292</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$2,457,565	\$2,457,565
Accrued liabilities .....	2,752,658	2,752,658
Total liabilities .....	<u>5,210,223</u>	<u>5,210,223</u>
Fund Balances:		
Reserved for:		
Designated .....	2,233,756	2,233,756
Unreserved:		
Undesignated .....	976,323	976,313
Total fund equity .....	<u>3,210,069</u>	<u>3,210,069</u>
Total liabilities and fund equity .....	<u>\$8,420,292</u>	<u>\$8,420,292</u>

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.



**Exhibit B-20**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**BOSTON REDEVELOPMENT AUTHORITY**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local:		
Investment income .....	\$ 306,658	\$ 306,658
Departmental .....	2,639,603	1,318,480
Total local revenues .....	2,946,261	1,625,138
Intergovernmental:		
Federal .....	59,749	59,749
Total intergovernmental revenues .....	59,749	59,749
Total revenues .....	3,006,010	1,684,887
<b>EXPENDITURES:</b>		
Current operations:		
Community development .....	3,725,374	2,404,251
Retirement costs .....	204,000	204,000
Total expenditures .....	3,929,374	2,608,251
Excess (deficiency) of revenues over expenditures .....	(923,364)	(923,364)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	1,321,123	1,321,123
Total other financing sources (uses) net .....	1,321,123	1,321,123
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	397,759	397,759
Fund equity, beginning of year .....	3,210,069	2,812,310
Adjustment for change in fiscal year of BRA (Note 3) .....	(397,759)	—
Fund equity, end of year .....	\$3,210,069	\$3,210,069

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.



## **DEBT SERVICE FUNDS**

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, interest and related costs.





**Exhibit C-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEBT SERVICE FUND**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 41,231,597	\$ 39,353,104
Other investments .....	74,214,265	65,253,003
Receivables (net, where applicable, of allowances for estimated collectible amounts):		
Due from other funds .....	2,929,073	4,100,468
Total assets .....	<u>\$118,374,935</u>	<u>\$108,706,575</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Matured interest and bonds payable .....	\$ 3,496,852	\$ 3,096,314
Due to other funds .....	169,000	—
Total liabilities .....	<u>3,665,852</u>	<u>3,096,314</u>
<b>Fund Balances</b>		
Reserved for:		
Debt service .....	114,709,083	105,610,261
Total fund equity .....	<u>114,709,083</u>	<u>105,610,261</u>
Total liabilities and fund equity .....	<u>\$118,374,935</u>	<u>\$108,706,575</u>

See accompanying notes of general purpose financial statements.

**Exhibit C-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEBT SERVICE FUND**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local:		
Designated excises .....	\$ 6,624,439	\$ 17,137,049
Investment income .....	2,848,803	1,685,701
Total local revenues .....	9,473,242	18,822,750
Intergovernmental:		
Other .....	1,272,314	1,317,768
Total intergovernmental revenues .....	1,272,314	1,317,768
Total revenues .....	10,745,556	20,140,518
<b>EXPENDITURES:</b>		
Current operations:		
Principal retirement .....	50,702,028	48,623,593
Interest .....	35,035,093	37,356,650
Total expenditures .....	85,737,121	85,980,244
Excess (deficiency) of revenues over expenditures .....	(74,991,565)	(65,839,726)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers from (to):		
Special revenue / capital projects funds .....	9,056,262	57,424,504
General fund .....	75,034,124	79,286,429
Total other financing sources (uses), net .....	84,090,386	136,710,933
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	9,098,821	70,871,207
Fund equity, beginning of year .....	105,610,262	34,739,055
Fund equity, end of year .....	\$114,709,083	\$105,610,262

See accompanying notes of general purpose financial statements.

## CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds). Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

*Departmental Equipment.* used to account for capital equipment provided to all City departments ranging from computer hardware to fire trucks and snow plows.

*School Projects.* used to account for the construction, renovation and repairs to all of Boston's school buildings.

*Public Buildings.* used to account for the construction, renovation, and repairs to all City owned buildings.

*Hospital Department.* used to account for the construction, renovation and repairs to Boston City Hospital and its affiliates.

*Urban and Economic Development.* used to account for the construction, renovation and/or rehabilitation to buildings or structures approved by the City's Planning Board.

*Parks and Recreation.* used to account for the design and construction of parks, and playgrounds and recreational facilities as well as the maintenance and preservation of historic park areas and cemeteries.

*Parking Facilities.* used to account for the construction and repair to off-street parking areas throughout Boston.

*Public Works.* used to account for the construction, maintenance and repair of public works projects such as bridges, street lighting, sidewalks, water mains and sewer drainage.

*Chapter 90 Public Ways.* used to account for the design, engineering, construction and re-construction of major roadways, streets and sidewalks.

*Trust Funds.* used to account for those monies authorized for specific capital purposes, such as park maintenance, as designated by each trust.

*Other Capital Projects.* used to account for other miscellaneous sources and expenditures for various capital projects.

*Boston Redevelopment Authority.* used to account for funds specifically designated for the substantial redevelopment of Boston from the downtown financial and governmental district core to inner-city neighborhoods.





## **CAPITAL PROJECT FUNDS**

**Exhibit D-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative amounts for June 30, 1987)**

	Departmental Equipment	School Projects	Public Buildings
<b>ASSETS</b>			
Cash and short-term investments .....	\$(2,741,794)	\$8,462,898	\$24,751,870
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):			
Intergovernmental .....	—	—	—
Accounts .....	—	—	—
Notes .....	—	—	—
Due from other funds .....	—	—	—
Other Assets .....	—	—	—
Total Assets .....	\$(2,741,794)	\$8,462,898	\$24,751,870
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Warrants and accounts payable .....	\$ 5,790	\$ 1,811,592	\$ 2,093,316
Accrued liabilities:			
Judgments and claims .....	—	—	—
Other .....	—	—	—
Intergovernmental .....	—	—	—
Due to other funds .....	—	—	—
Demand note payable .....	—	—	—
Deferred revenue .....	—	—	—
Total Liabilities .....	5,790	1,811,592	2,093,316
<b>Fund Balances</b>			
Reserved for:			
Encumbrances and continuing appropriations . . .	824,719	20,416,507	29,110,440
Unreserved:			
Undesignated .....	(3,572,303)	(13,765,201)	(6,451,886)
Total fund equity .....	(2,747,584)	6,651,306	22,658,554
Total liabilities and fund equity .....	\$(2,741,794)	\$ 8,462,898	\$24,751,870

See accompanying notes to general purpose financial statements.

**Exhibit D-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative amounts for June 30, 1987)**

Hospital Department	Urban and Economic Development	Parks and Recreation	Parking Facilities
\$5,178,210	\$10,662,903	\$1,104,252	\$488,955
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
\$5,178,210	\$10,662,903	\$1,104,252	\$488,955
\$ 606,300	—	\$ 400,414	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
606,300	—	400,414	—
2,633,214	3,546,730	5,429,044	—
1,938,696	7,116,173	(4,725,206)	488,955
4,571,910	10,662,903	703,838	488,955
\$5,178,210	\$10,662,903	\$1,104,252	\$488,955

**Exhibit D-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative amounts for June 30, 1987)**

	Public Works	Chapter 90 Public Ways	Trust Fund
<b>ASSETS</b>			
Cash and short-term investments .....	\$4,546,525	\$(1,335,277)	\$ (97,385)
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):			
Intergovernmental .....	—	1,668,153	—
Accounts .....	—	—	—
Notes .....	—	—	—
Due from other funds .....	—	—	—
Other Assets .....	—	—	—
Total Assets .....	<u>\$ 4,546,525</u>	<u>\$ 332,876</u>	<u>\$ (97,385)</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Warrants and accounts payable .....	\$2,311,307	\$ 474,295	\$ 84,299
Accrued liabilities:			
Judgments and claims .....	—	—	—
Other .....	—	—	—
Intergovernmental .....	—	—	—
Due to other funds .....	—	—	—
Demand note payable .....	—	—	—
Deferred revenue .....	—	—	—
Total Liabilities .....	<u>2,311,307</u>	<u>474,295</u>	<u>84,299</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances and continuing appropriations. . .	11,609,956	1,637,757	47,935
Unreserved:			
Undesignated .....	(9,374,734)	(1,779,176)	(229,619)
Total fund equity .....	<u>2,235,218</u>	<u>(141,419)</u>	<u>(181,684)</u>
Total Liabilities and Fund Equity .....	<u>\$ 4,546,525</u>	<u>\$ 332,876</u>	<u>\$ (97,385)</u>

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.



**Exhibit D-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative amounts for June 30, 1987)**

Other Capital Projects	Boston Redevelopment Authority	Totals	
		1988	1987
\$11,398,500	\$21,118,531	\$83,538,188	\$159,823,115
—	6,274,091	7,942,244	7,766,375
—	195,087	195,087	163,125
—	3,713,800	3,713,800	3,713,800
2,573,973	—	2,573,973	1,109,729
—	110,000	110,000	110,000
\$13,972,473	\$31,411,509	\$98,073,292	\$172,686,143
\$ 1,413,737		\$ 9,201,050	\$ 5,095,670
—	\$ 2,114,900	2,114,900	2,114,900
—	6,523,015	6,523,015	6,523,015
112,701	—	112,701	112,701
1,545,518 02	2,109,501	3,655,019	23,611,355
168,625	—	168,625	5,871,650
—	31,962	31,962	—
3,240,581	10,779,378	21,807,272	43,329,291
9,331,498	—	84,587,800	55,724,000
1,400,394	20,632,131	(8,321,780)	73,632,852
10,731,892	20,632,131	76,266,020	129,356,852
\$13,972,473	\$31,411,509	\$98,073,292	\$172,686,143

**Exhibit D-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Year Ended June 30, 1988**

	Departmental Equipment	School Projects	Public Buildings
<b>REVENUES:</b>			
Departmental and other .....	—	\$ 2,110,212	\$ 2,608,898
Investment income .....	—	—	—
Intergovernmental:			
Federal .....	—	—	—
State .....	—	—	—
Total revenues .....	—	2,110,212	2,608,898
<b>EXPENDITURES:</b>			
Retirement Costs .....	—	—	—
Debt Service .....	—	—	—
Capital outlays .....	\$19,729,818	10,588,227	23,939,603
Total Expenditures .....	19,729,818	10,588,227	23,939,603
Excess (deficiency) of revenues over expendi- tures .....	(19,729,818)	(8,478,015)	(21,330,705)
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds of debt .....	23,590,000	—	—
Operating transfers in (out), net .....	(9,056,262)	—	—
Total other financing sources (uses) net .....	14,533,738	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(5,196,080)	(8,478,015)	(21,330,705)
Fund equity, beginning of year .....	2,448,496	15,129,321	43,989,259
Adjustment for change in fiscal year end for BRA ..	—	—	—
Fund equity, end of year .....	\$ (2,747,584)	\$ 6,651,306	\$22,685,554

See accompanying notes to general purpose financial statements.

**Exhibit D-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Year Ended June 30, 1988**

Hospital Department	Urban and Economic Development	Parks and Recreation	Parking Facilities
\$ 78,156	\$(1,897,999)	\$ 314,859	—
—	—	—	—
—	—	—	—
—	1,897,999	3,308,296	—
78,156	—	3,623,155	—
—	—	—	—
—	—	—	—
1,745,028	3,871,039	5,755,140	—
1,745,028	3,871,039	5,755,140	—
(1,666,872)	(3,871,039)	(2,131,985)	—
—	—	—	—
(1,341,083)	—	—	—
(1,341,083)	—	—	—
(3,007,955)	(3,871,039)	(2,131,985)	—
7,579,865	14,533,942	2,835,942	488,955
—	—	—	—
\$ 4,571,910	\$10,662,903	\$ 703,838	\$ 488,955

**Exhibit D-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**June 30, 1988**

	Public Works	Chapter 90 Public Ways	Trust Fund
<b>REVENUES:</b>			
Departmental and other .....	\$ 1,417,414	\$ 357,986	\$ 95,081
Investment income .....	—	—	—
Intergovernmental:			
Federal .....	—	—	—
State .....	—	175,869	—
Total revenues .....	1,417,414	533,855	95,081
<b>EXPENDITURES:</b>			
Retirement Costs .....	—	—	—
Debt Service .....	—	—	—
Capital outlays .....	17,051,453	4,632,727	303,023
Total Expenditures .....	17,051,453	4,632,727	303,023
Excess (deficiency) of revenues over expenditures ..	(15,634,039)	(4,098,872)	(207,942)
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds of debt .....	—	—	—
Operating transfers in (out), net .....	—	—	—
Total other financing sources (uses) net .....	—	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(15,634,039)	(4,098,872)	(207,942)
Fund equity, beginning of year .....	17,869,257	3,957,453	26,258
Adjustment for change in fiscal year end for BRA ..	—	—	—
Fund equity, end of year .....	\$ 2,235,218	\$ (141,419)	\$ (181,684)

See accompanying notes to general purpose financial statements.



**Exhibit D-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CAPITAL PROJECTS FUNDS**

**Combining Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**June 30, 1988**

Other Capital Projects	Boston Redevelopment Authority	Total	
		1988	1987
\$10,378,535	\$13,348,475	\$28,811,617	\$14,310,683
—	1,504,389	1,504,389	1,504,398
—	2,997,951	2,997,951	470,430
—	—	5,382,164	3,739,050
10,378,535	17,850,815	38,696,121	20,024,552
—	1,361,000	1,361,000	1,361,210
\$47,026	—	47,026	432,989
(534,291)	18,995,945	106,077,712	54,842,507
(487,265)	20,356,945	107,485,738	56,636,706
10,865,800	(2,506,130)	(68,789,617)	(36,612,154)
—	—	23,590,000	—
—	2,544,877	(7,852,468)	798,646
—	2,544,877	(7,852,468)	798,647
10,865,800	38,747	(53,052,885)	(35,813,976)
(133,908)	20,593,384	129,357,393	165,170,144
—	—	(39,162)	—
\$10,731,892	\$20,632,131	\$76,266,146	\$129,356,168

**Exhibit D-3**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEPARTMENTAL EQUIPMENT**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments.....	\$(2,741,794)	\$2,448,496
Total assets .....	<u>\$(2,741,794)</u>	<u>\$2,448,496</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 5,790	—
Total liabilities.....	<u>5,790</u>	<u>—</u>
Fund Balances		
Reserved for:		
Encumbrances and continuing appropriations .....	824,719	2,168,602
Unreserved:		
Undesignated .....	<u>(3,572,303)</u>	<u>279,894</u>
Total fund equity .....	<u>(2,747,584)</u>	<u>2,448,496</u>
Total liabilities and fund equity .....	<u>\$(2,741,794)</u>	<u>\$2,448,496</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-4**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEPARTMENTAL EQUIPMENT**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**June 30, 1988 and 1987**

	1988	1987
<b>EXPENDITURES:</b>		
Capital outlays .....	\$19,729,818	\$ 3,216,296
Total expenditures .....	19,729,818	3,216,296
Excess (deficiency) of revenues over expenditures .....	(19,729,818)	(3,216,296)
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds of debt .....	23,590,000	—
Operating transfers in (out), net .....	(9,056,262)	—
Total other financing sources (uses), net .....	14,533,738	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(5,196,080)	(3,216,296)
Fund equity, beginning of year .....	2,448,496	5,664,792
Fund Equity, end of year .....	\$(2,747,584)	\$2,448,496

See accompanying notes to general purpose financial statements.

**Exhibit D-5**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SCHOOL PROJECTS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 8,462,898	\$20,300,501
Total assets .....	<u>\$ 8,462,898</u>	<u>\$20,300,501</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 1,811,592	\$ 220,033
Total liabilities .....	<u>1,811,592</u>	<u>220,033</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	20,416,507	2,844,679
Unreserved:		
Undesignated .....	<u>(13,765,201)</u>	<u>17,235,789</u>
Total fund equity .....	<u>6,651,306</u>	<u>20,080,468</u>
Total liabilities and fund equity .....	<u>\$8,462,898</u>	<u>\$20,300,501</u>

See accompanying notes to general purpose financial statements.



**Exhibit D-6**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SCHOOL PROJECTS**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local .....	\$ 2,110,212	—
Total revenues .....	<u>2,110,212</u>	<u>—</u>
<b>EXPENDITURES:</b>		
Capital outlays .....	10,588,227	\$ 4,884,099
Total expenditures .....	<u>10,588,227</u>	<u>4,884,099</u>
Excess (deficiency) of revenues over expenditures .....	(8,478,015)	(4,884,099)
Fund equity, beginning of year .....	15,129,321	20,013,420
Fund equity, end of year .....	<u>\$ 6,651,306</u>	<u>\$15,129,321</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-7**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PUBLIC BUILDINGS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$24,751,870	\$46,230,552
Total assets .....	<u>\$24,751,870</u>	<u>\$46,230,552</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$2,093,316	827,142
Total liabilities. ....	<u>2,093,316</u>	<u>827,142</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	29,110,440	26,907,754
Unreserved:		
Undesignated .....	(6,451,886)	18,495,656
Total fund equity .....	<u>22,658,554</u>	<u>45,403,410</u>
Total liabilities and fund equity .....	<u>\$24,751,870</u>	<u>\$46,230,552</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-8**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PUBLIC BUILDINGS**  
**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local .....	\$ 2,608,898	\$ 308,576
Total revenues .....	<u>2,608,898</u>	<u>\$ 308,576</u>
<b>EXPENDITURES:</b>		
Capital outlays .....	23,939,603	8,410,838
Total expenditures .....	<u>23,939,603</u>	<u>8,410,838</u>
Excess (deficiency) of revenues over expenditures .....	(21,330,705)	(8,102,262)
Fund equity, beginning of year .....	43,989,259	52,091,521
Fund equity, end of year .....	<u>\$ 22,658,554</u>	<u>\$43,989,259</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-9**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**HOSPITAL EQUIPMENT**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$5,178,210	\$6,801,732
Total assets .....	<u>\$5,178,210</u>	<u>\$6,801,732</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 606,300	\$ 831,293
Total liabilities .....	<u>606,300</u>	<u>831,293</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	2,633,214	125,482
Unreserved:		
Undesignated .....	<u>1,938,696</u>	<u>5,844,957</u>
Total fund equity .....	<u>4,571,910</u>	<u>5,970,439</u>
Total liabilities and fund equity .....	<u>\$5,178,210</u>	<u>\$6,801,732</u>

See accompanying notes to general purpose financial statements.



**Exhibit D-10**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**HOSPITAL DEPARTMENT**

**Comparative Statement of Revenues, Expenditures,  
Operating Transfers and Changes in Fund Equity  
Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Local .....	\$ 78,156	—
Total revenues .....	78,156	—
<b>EXPENDITURES:</b>		
Capital outlays .....	1,745,028	\$ 1,559,769
Total expenditures .....	1,745,028	1,559,769
Excess (deficiency) of revenues over expenditures .....	(1,666,872)	(1,559,769)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net .....	(1,341,083)	(1,340,988)
Total other financing sources (uses) net .....	(1,341,083)	(1,340,988)
Excess (deficiency) of revenues and financing sources over expenditures and other financing uses .....	(3,007,955)	(2,900,757)
Fund equity, beginning of year .....	7,579,865	10,480,622
Fund equity, end of year .....	\$ 4,571,910	\$ 7,579,865

See accompanying notes to general purpose financial statements.

**Exhibit D-11**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**URBAN AND ECONOMIC DEVELOPMENT**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$10,662,903	—
Total assets .....	\$10,662,903	—
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	—	\$ 562,193
Total liabilities .....	—	562,193
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	3,546,730	4,108,326
Unreserved:		
Undesignated .....	7,116,173	9,863,423
Total fund equity .....	10,662,903	13,971,749
Total liabilities and fund equity .....	\$10,662,903	\$14,533,942

See accompanying notes to general purpose financial statements.

**Exhibit D-12**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**URBAN AND ECONOMIC DEVELOPMENT**  
**Comparative Statement of Revenues, Expenditures,**  
**and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Departmental and other .....	\$ (1,897,999)	—
Intergovernmental:		
State .....	1,897,999	—
Total revenues .....	—	—
<b>EXPENDITURES:</b>		
Capital outlays .....	3,871,039	5,999,676
Total expenditures .....	3,871,039	5,999,676
Excess (deficiency) of revenues over expenditures .....	(3,871,039)	(5,999,676)
Fund equity, beginning of year .....	14,533,942	20,533,618
Fund equity, end of year .....	\$10,662,903	\$14,533,942

See accompanying notes to general purpose financial statements.

**Exhibit D-13**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PARKS AND RECREATION**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 1,104,252	\$7,080,136
Total assets .....	\$ 1,104,252	\$7,080,136
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 400,414	\$ 305,475
Total liabilities .....	400,414	\$ 305,475
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	5,429,044	4,074,227
Unreserved:		
Undesignated .....	(4,725,206)	2,700,434
Total fund equity .....	703,838	6,774,661
Total liabilities and fund equity .....	\$ 1,104,252	\$7,080,136

See accompanying notes to general purpose financial statements.



**Exhibit D-14**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PARKS AND RECREATION**  
**Comparative Statement of Revenues, Expenditures,**  
**and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Departmental and other .....	\$ 314,859	\$ 135,491
Intergovernmental:		
State .....	3,308,296	277,347
Total revenues .....	3,623,155	412,838
<b>EXPENDITURES:</b>		
Capital outlays .....	5,755,140	2,773,771
Total expenditures .....	5,755,140	2,773,771
Excess (deficiency) of revenues over expenditures .....	(2,131,985)	(2,360,933)
Fund equity, beginning of year .....	2,835,823	5,196,756
Fund equity, end of year .....	\$ 703,838	\$2,835,823

See accompanying notes to general purpose financial statements.

**Exhibit D-15**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PARKING FACILITIES**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$488,955	\$488,955
Total assets .....	\$488,955	\$488,955
<b>FUND BALANCES</b>		
Unreserved:		
Undesignated .....	488,955	488,955
Total fund equity .....	488,955	488,955
Total liabilities and fund equity .....	\$488,955	\$488,955

See accompanying notes to general purpose financial statements.

**Exhibit D-16**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PARKING FACILITIES**  
**Comparative Statement of Revenues, Expenditures,**  
**and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
Fund equity, beginning of year .....	\$488,955	\$488,955
Fund equity, end of year .....	\$488,955	\$488,955

See accompanying notes to general purpose financial statements.

**Exhibit D-17**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PUBLIC WORKS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 4,546,525	\$19,170,855
Total assets .....	<u>\$ 4,546,525</u>	<u>\$19,170,855</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 2,311,307	\$ 1,197,570
Total liabilities .....	<u>2,311,307</u>	<u>1,197,570</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	11,609,956	10,664,128
Unreserved:		
Undesignated .....	<u>(9,374,738)</u>	<u>7,309,157</u>
Total fund equity .....	<u>2,235,218</u>	<u>17,973,285</u>
Total liabilities and fund equity .....	<u>\$ 4,546,525</u>	<u>\$19,170,855</u>

See accompanying notes to general purpose financial statements.



**Exhibit D-18**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PUBLIC WORKS**

**Comparative Statement of Revenues, Expenditures,  
and Changes in Fund Equity  
Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Departmental and other .....	\$ 1,416,414	\$ 17,820
Intergovernmental:		
State .....	—	219,093
Total revenues .....	<u>1,417,414</u>	<u>236,913</u>
<b>EXPENDITURES:</b>		
Capital outlays .....	17,051,453	7,827,276
Total expenditures .....	<u>17,051,453</u>	<u>7,827,276</u>
Excess (deficiency) of revenues over expenditures .....	(15,634,039)	(7,590,363)
Fund equity, beginning of year .....	17,869,257	25,459,620
Fund equity, end of year .....	<u>\$ 2,235,218</u>	<u>\$17,869,257</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-19**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CHAPTER 90 PUBLIC WAYS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$(1,335,277)	\$2,823,155
Intergovernmental .....	1,668,153	1,492,284
Total assets .....	<u>\$ 332,876</u>	<u>\$4,315,439</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities: ,		
Warrants and accounts payable .....	\$ 474,295	\$ 854,232
Total liabilities. ....	<u>474,295</u>	<u>854,232</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	1,637,757	2,776,302
Unreserved:		
Undesignated .....	(1,779,176)	684,905
Total fund equity .....	<u>(141,419)</u>	<u>3,461,207</u>
Total liabilities and fund equity .....	<u>\$ 332,876</u>	<u>\$4,315,439</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-20**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**CHAPTER 90 PUBLIC WAYS**  
**Comparative Statement of Revenues, Expenditures,**  
**and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Departmental and other .....	\$ 357,986	—
Intergovernmental:		
State .....	175,869	\$3,242,610
Total revenues .....	533,855	3,242,610
<b>EXPENDITURES:</b>		
Capital outlays .....	4,632,727	3,589,214
Total expenditures .....	4,632,727	3,589,214
Excess (deficiency) of revenues over expenditures .....	(4,098,872)	(346,604)
Fund equity, beginning of year .....	3,957,453	4,304,057
Fund equity, end of year .....	\$ (141,419)	\$3,957,453

See accompanying notes to general purpose financial statements.

**Exhibit D-21**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUST FUNDS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$ (97,385)	\$121,339
Total assets .....	<u>\$ (97,385)</u>	<u>\$121,339</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 84,299	\$ 40,141
Total liabilities .....	<u>84,299</u>	<u>40,141</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	47,935	47,500
Unreserved:		
Undesignated .....	(229,619)	35,698
Total fund equity .....	<u>(181,684)</u>	<u>81,198</u>
Total liabilities and fund equity .....	<u>\$ (97,385)</u>	<u>\$121,339</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-22**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUST FUNDS**

**Comparative Statement of Revenues, Expenditures,**  
**and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Departmental and other .....	\$ 95,081	\$ 68,466
Total revenues .....	95,081	68,466
<b>EXPENDITURES:</b>		
Capital outlays .....	303,023	113,138
Total expenditures .....	303,023	113,138
Excess (deficiency) of revenues over expenditures .....	(207,942)	(44,672)
Fund equity, beginning of year .....	26,258	70,930
Fund equity, end of year .....	\$(181,684)	\$26,258

See accompanying notes to general purpose financial statements.



**Exhibit D-23**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**OTHER CAPITAL PROJECTS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments .....	\$11,398,500	\$18,704,922
Due from other funds .....	2,573,973	1,109,729
Total assets .....	<u>\$13,972,473</u>	<u>\$19,814,651</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable .....	\$ 1,413,737	\$ 257,591
Intergovernmental .....	112,701	112,701
Due to other funds .....	1,545,518	21,501,854
Demand notes payable .....	<u>168,625</u>	<u>5,871,649</u>
Total liabilities .....	<u>3,240,581</u>	<u>27,743,795</u>
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations .....	(1,113,468)	2,007,000
Unreserved:		
Undesignated .....	<u>11,845,360</u>	<u>(9,936,144)</u>
Total fund equity .....	<u>10,731,892</u>	<u>(7,929,144)</u>
Total liabilities and fund equity .....	<u>\$13,972,473</u>	<u>\$19,814,651</u>

See accompanying notes to general purpose financial statements.

**Exhibit D-24**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**OTHER CAPITAL PROJECTS**

**Comparative Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
<b>REVENUES:</b>		
Departmental and other .....	\$10,378,535	\$ 432,230
Total revenues .....	10,378,535	432,230
<b>EXPENDITURES:</b>		
Debt service .....	47,026	432,989
Capital outlays .....	(534,291)	—
Total expenditures .....	(487,265)	432,989
Excess (deficiency) of revenues over expenditures .....	10,865,800	(759)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out), net. ....	—	(405,501)
Total other financing sources (uses) net .....	—	(405,501)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	10,865,800	(406,260)
Fund equity, beginning of year .....	(133,908)	272,352
Fund equity, end of year .....	\$10,731,892	\$(133,908)

See accompanying notes to general purpose financial statements.

**Exhibit D-25**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**BOSTON REDEVELOPMENT AUTHORITY**  
**Balance Sheet**  
**June 30, 1987**

	1987
<b>ASSETS</b>	
Cash and short-term investments .....	\$21,118,531
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):	
Intergovernmental .....	6,274,091
Accounts .....	195,087
Notes .....	3,713,800
Other assets .....	110,000
Total assets .....	<u>\$31,411,509</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accrued liabilities:	
Judgments and claims .....	\$ 2,114,900
Other .....	6,523,015
Due to other funds .....	2,109,501
Deferred revenue .....	31,962
Total liabilities .....	<u>10,779,378</u>
Fund Balances:	
Unreserved:	
Designated .....	20,632,131
Total fund equity .....	<u>20,632,131</u>
Total liabilities and fund equity .....	<u>\$31,411,509</u>

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.

**Exhibit D-26**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**BOSTON REDEVELOPMENT AUTHORITY**  
**Statement of Revenues, Expenditures,**  
**Operating Transfers and Changes in Fund Equity**  
**June 30, 1987**

1987

**REVENUES:**

Departmental and other. . . . .	\$13,348,475
Investment income . . . . .	1,504,398
Intergovernmental:	
Federal. . . . .	2,997,951
Total revenues . . . . .	<u>17,850,815</u>

**EXPENDITURES:**

Retirement Costs. . . . .	1,361,000
Capital outlays . . . . .	<u>18,995,945</u>
Total expenditures . . . . .	<u>20,356,945</u>
Excess (deficiency) of revenues over expenditures . . . . .	<u>(2,506,130)</u>

**OTHER FINANCING SOURCES (USES):**

Proceeds of debt	
Operating transfers in (out), net . . . . .	<u>2,544,877</u>
Total other financing sources (uses) net. . . . .	<u>2,544,877</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses . . . . .	38,747
Fund equity, beginning of year. . . . .	20,593,384
Adjustment for change in fiscal year end for BRA . . . . .	<u>(39,162)</u>
Fund equity, end of year . . . . .	<u><u>\$20,632,131</u></u>

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.





## ENTERPRISE FUNDS

These funds are used to account for activities operated in a manner similar to private business enterprise or where periodic determination of revenues, expenses and net income is needed.

*Department of Health and Hospitals* is the principal provider in the City of acute hospital care for the indigent and other government-assisted patients. The Department of Health and Hospitals is comprised of Boston City Hospital, Long Island Hospital, and Mattapan Hospital, which principally serve persons with chronic diseases.

*Trustees of Health and Hospitals* is a non-profit corporation established in 1965 by legislative enactment of the Commonwealth of Massachusetts. The Trustees principal activities are the financial administration of numerous grants and contracts, community health programs and medical research, primarily under the sponsorship of federal, state and city agencies.

*Economic Development Industrial Corporation* is a quasi-public agency of the City of Boston and an instrumentality of the state, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing, and job training.



**Exhibit E-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ENTERPRISE FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	Department of Health and Hospitals	Trustee of Health and Hospitals	Economic Development Industrial Corporation	Eliminations	Totals	
					1988	1987
<b>ASSETS</b>						
Cash and short-term investments .....	\$ 3,829,508	\$ 2,801,527	\$ 1,220,948	—	\$ 7,851,983	\$ 10,692,992
Receivables (net, where applicable, of al- lowances for estimated uncollectible amounts):						
Intergovernmental .....	—	—	1,387,570	—	1,387,570	2,265,280
Accounts .....	44,237,610	7,519,473	460,080	—	52,217,163	79,999,797
Due from other funds .....	64,223,198	—	—	(2,859,210)	61,363,988	59,220,590
Loans .....	—	—	16,981,213	—	16,981,213	17,224,941
Inventories .....	1,652,956	—	—	—	1,652,956	1,468,497
Other Assets .....	—	79,222	3,529,223	—	3,608,445	3,912,096
Property, plant and equipment (Net of accumulated depreciation) .....	72,974,515	156,049	15,801,940	—	88,932,504	89,042,950
<b>Total Assets .....</b>	<b>\$186,917,787</b>	<b>\$10,556,271</b>	<b>\$39,380,974</b>	<b>(2,859,210)</b>	<b>\$233,995,822</b>	<b>\$263,827,143</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Warrants and accounts payable .....	\$ 18,697,450	\$ 1,081,941	\$ 2,119,742	—	\$ 21,899,133	\$ 12,879,067
Accrued liabilities:						
Judgments and claims .....	2,581,318	—	—	—	2,581,318	2,581,318
Sick and vacation .....	4,914,822	—	—	—	4,914,822	4,072,682
Retirement costs .....	50,643,274	—	—	—	50,643,274	47,272,560
Third-party payors of health care costs .	30,780,124	—	—	—	30,780,124	23,638,042
Other .....	6,325,521	787,656	1,205,069	2,138	8,320,384	10,243,870
Intergovernmental .....	—	4,594,657	34,713	—	4,629,370	4,053,983
Deferred revenue .....	—	—	14,180,893	—	14,180,893	56,891,245
Due to other funds .....	—	2,915,775	403,982	(2,861,348)	458,409	3,409,360
Obligations under capital lease .....	1,102,548	—	127,098	—	1,229,646	1,722,030
General obligation bonds and notes payable .....	—	—	18,880,821	—	18,880,821	19,379,544
<b>Total liabilities .....</b>	<b>115,045,057</b>	<b>9,380,029</b>	<b>36,952,318</b>	<b>(2,859,210)</b>	<b>158,518,194</b>	<b>186,143,701</b>
<b>Fund Balances:</b>						
Proprietary fund equity .....	71,872,730	1,176,242	2,428,656	—	75,477,628	77,683,442
<b>Total fund equity .....</b>	<b>71,872,730</b>	<b>1,176,242</b>	<b>2,428,656</b>	<b>—</b>	<b>75,477,628</b>	<b>77,683,442</b>
<b>Total liabilities and fund Equity .....</b>	<b>\$186,917,787</b>	<b>\$10,556,271</b>	<b>\$39,380,974</b>	<b>\$(2,859,210)</b>	<b>\$233,995,822</b>	<b>\$263,827,143</b>

See accompanying notes to general purpose financial statements.

**Exhibit E-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ENTERPRISE FUNDS**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Retained Earnings/Fund Equity**  
**Year Ended June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	Department of Health and Hospitals	Trustee of Health and Hospitals	Economic Development Industrial Corporation	Totals	
				1988	1987
Operating revenues:					
Gross patient service revenue . . . . .	\$209,574,090	—	—	\$209,574,090	\$168,964,276
Adjustments to patient service revenue:					
Contractual adjustments . . . . .	3,585,616	—	—	3,585,616	40,417,080
Provisions for uncollectible amounts and service provided to City Employees . . . . .	(81,790,791)	—	—	(81,790,791)	(50,381,600)
Total adjustments to patient service revenue . . . . .	(78,205,175)	—	—	(78,205,175)	(9,964,520)
Net patient service revenue . . . . .	131,368,915	—	—	131,368,915	158,999,756
Investment income . . . . .	—	—	\$1,229,250	1,229,250	1,285,814
Programs . . . . .	—	\$25,793,508	—	25,793,508	21,634,526
Rental Income . . . . .	—	—	4,520,024	4,520,024	4,192,060
Intergovernmental . . . . .	—	—	1,047,142	1,047,142	1,178,468
Miscellaneous . . . . .	6,664,375	—	667,660	7,332,035	6,184,474
Total operating revenues . . . . .	138,033,290	25,793,508	7,464,076	171,290,874	193,475,098
Operating expenses:					
Salaries, wages and fringe benefits . . . . .	95,121,315	—	3,028,575	98,149,890	85,017,758
Professional fees . . . . .	16,127,820	—	961,000	17,088,820	14,102,271
Retirement costs . . . . .	14,233,139	—	—	14,233,139	13,880,551
Materials and supplies . . . . .	13,034,652	—	46,044	13,080,696	10,548,988
Administrative and general . . . . .	16,952,797	1,647,712	2,383,783	20,984,292	20,622,847
Depreciation . . . . .	5,647,350	81,431	1,416,440	7,145,221	7,158,612
Interest . . . . .	2,956,654	—	1,718,217	4,674,871	4,095,556
Subsidies for community service special programs and real estate operation . . . . .	17,670,539	24,227,501	—	41,898,040	35,285,730
Total operating expenses . . . . .	181,744,266	25,956,644	9,554,059	217,254,969	190,712,313
Operating income (loss) . . . . .	(43,710,976)	(163,136)	(2,089,983)	(45,964,095)	2,762,785
Operating transfer in (out), net . . . . .	43,265,866	492,415	—	43,758,281	(3,981,097)
Net income (loss) . . . . .	(445,110)	329,279	(2,089,983)	(2,205,814)	(1,218,312)
Fund equity, beginning of year . . . . .	72,317,840	846,963	4,518,639	77,683,442	78,901,755
Fund equity, at end of year . . . . .	\$ 71,872,730	\$ 1,176,242	\$ 2,428,656	\$ 75,477,628	\$ 77,683,443

See accompanying notes to general purpose financial statements.

**Exhibit E-3**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ENTERPRISE FUNDS**  
**Combining Statement of Changes in Financial Position**  
**Year Ended June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	Department of Health and Hospitals	Trustees of Health and Hospitals	Economic Development Industrial Corporation	Totals	
				1988	1987
<b>Sources of working capital:</b>					
Operations:					
Net income (loss) . . . . .	\$ (445,110)	\$ 329,279	\$(2,089,983)	\$ (2,205,814)	\$ (1,219,859)
Items not requiring funds:					
Depreciation . . . . .	5,647,350	80,631	1,416,440	7,144,421	7,158,287
Loss (gain) on sale of investments and other . . . . .	640,000	—	—	640,000	729,000
Funds provided (used) by operations . . . . .	5,842,240	409,910	(673,543)	5,578,607	6,667,428
Increase in accrued retirement costs . . . . .	3,369,684	—	—	3,369,684	1,353,000
Decrease in other assets . . . . .	—	—	1,672,737	1,672,737	2,804,498
Increase in other liabilities . . . . .	—	—	263,000	263,000	—
Total sources of funds . . . . .	9,211,924	409,910	1,262,194	10,884,028	10,824,926
<b>Uses of working capital:</b>					
Acquisitions of property, plant and equipment . . . . .	5,291,219	14,310	2,367,815	7,673,344	6,281,333
Retirement of long-term obligations . . . . .	(411,000)	—	131,000	(280,000)	1,967,691
Increase in long-term portion of due to other funds . . . . .	3,387,769	—	—	3,387,769	1,266,000
Decrease in other liabilities . . . . .	—	—	—	—	527,114
Other . . . . .	(18,085)	—	—	(18,085)	87,000
Total uses of working capital . . . . .	8,249,903	14,310	2,498,815	10,763,028	10,129,138
Increase (decrease) in working capital . . . . .	\$ 962,021	\$ 395,600	\$(1,236,621)	\$ 121,000	\$ 695,788
<b>Elements of increase (decrease) in funds:</b>					
Cash and short-term investments . . . . .	\$ 171,370	\$(2,547,328)	\$ (464,880)	\$(2,840,838)	\$ 2,682,695
Intergovernmental . . . . .	—	—	317,710	317,710	(135,803)
Accounts receivable . . . . .	9,548,680	3,722,473	(184,620)	13,086,533	(436,447)
Current portion of loans payable . . . . .	—	—	(8,984)	(8,984)	14,486
Current portion of due from other funds . . . . .	1,631,000	—	—	1,631,000	(16,874,000)
Inventories . . . . .	184,455	—	—	184,455	(35,000)
Other current assets . . . . .	—	79,222	(851,873)	(772,651)	(40,040)
Warrants and accounts payable . . . . .	(4,556,427)	(292,941)	(374,905)	(5,224,273)	(5,748,856)
Due to third-party payors . . . . .	(7,141,584)	—	—	(7,141,584)	18,925,000
Accrued liabilities . . . . .	163,037	(72,669)	110,569	200,937	(431,935)
Intergovernmental payable . . . . .	—	(540,657)	(34,714)	(575,371)	(1,030,504)
Deferred revenue and allowances . . . . .	—	—	—	—	(21,218)
Due to other funds . . . . .	—	17,500	71,017	89,107	3,325,037
Current portion of lease obligations . . . . .	961,490	30,000	183,559	1,175,049	502,373
Increase (decrease) in working capital . . . . .	\$ 962,021	\$ 395,600	\$(1,236,621)	\$ 121,000	\$ 695,788

See accompanying notes to general purpose financial statements.



**Exhibit E-4**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEPARTMENT OF HEALTH AND HOSPITALS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments . . . . .	\$ 3,829,388	\$ 3,658,309
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Accounts . . . . .	44,237,610	34,689,029
Due from other funds . . . . .	64,223,318	56,343,295
Due from Trustees . . . . .	—	2,877,295
Inventories . . . . .	1,652,956	1,468,497
Property, plant and equipment (net of accumulated depreciation) . . . . .	72,974,515	73,970,014
Total assets . . . . .	<u>\$186,917,787</u>	<u>\$173,006,439</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable . . . . .	\$ 18,697,450	\$ 14,141,000
Accrued liabilities:		
Judgments and claims . . . . .	2,581,318	2,581,318
Sick and vacation . . . . .	4,914,822	4,072,682
Retirement costs . . . . .	50,643,274	47,272,560
Third-party payors of health care costs . . . . .	30,780,124	25,830,882
Other . . . . .	6,325,521	5,137,762
Obligations under capital lease . . . . .	1,102,548	1,652,395
Total liabilities . . . . .	<u>115,045,057</u>	<u>100,688,599</u>
Fund Balances:		
Proprietary fund equity . . . . .	71,872,730	72,317,840
Total fund equity . . . . .	<u>71,872,730</u>	<u>72,317,840</u>
Total liabilities and fund equity . . . . .	<u>\$186,917,787</u>	<u>\$173,006,439</u>

See accompanying notes to general purpose financial statements.

**Exhibit E-5**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEPARTMENT OF HEALTH AND HOSPITALS**  
**Comparative Statement of Revenues, Expenses**  
**and Changes in Retained Earnings**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
Operating revenues:		
Gross patient service revenue .....	\$209,574,090	\$168,964,276
Adjustments to patient service revenue:		
Contractual adjustments .....	3,585,616	40,417,080
Provisions for uncollectible amounts, free care and service provided to City employees .....	(81,790,791)	(50,381,600)
Total adjustments to patient service revenue .....	(78,205,175)	(9,964,520)
Net patient service revenue .....	131,368,915	158,999,756
Miscellaneous revenues .....	6,664,375	5,363,678
Total operating revenues .....	138,033,290	164,363,434
Operating expenses:		
Salaries, wages and fringe benefits .....	95,121,315	82,729,809
Professional fees .....	16,127,820	13,693,855
Retirement costs .....	14,233,139	13,880,551
Materials and supplies .....	13,034,652	10,497,704
Administrative and general .....	16,952,797	17,318,392
Depreciation .....	5,647,350	5,653,346
Interest .....	2,956,654	2,688,763
Subsidies for community services, special programs and real estate operations .....	17,670,539	15,040,746
Total operating expenses .....	181,744,266	161,503,166
Operating income (loss) .....	(43,710,976)	2,860,268
Operating transfer in (out), net .....	43,265,866	(4,453,742)
Net income (loss) .....	(445,110)	(1,593,474)
Fund equity, beginning of year .....	72,317,840	73,911,314
Fund equity, end of year .....	\$71,872,730	\$ 72,317,840

See accompanying notes to general purpose financial statements.

**Exhibit E-6**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEPARTMENT OF HEALTH AND HOSPITALS**  
**Comparative Statement of Changes in Financial Position**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
Sources of working capital:		
Operations:		
Net income (loss) .....	\$ (445,110)	\$ (1,595,474)
Items not requiring funds:		
Depreciation .....	5,647,350	5,653,325
Loss on sale of investments and other .....	640,000	729,100
Funds provided by operations .....	5,842,240	4,786,951
Increase in accrued retirement costs .....	3,369,684	1,352,964
Total sources of funds .....	9,211,924	6,139,915
Use of working capital:		
Acquisitions of property, plant and equipment .....	5,291,219	2,900,000
Retirement of long-term obligations .....	(411,000)	1,509,282
Increase in long-term portion of due to other funds .....	3,387,769	1,265,788
Other .....	(18,085)	86,843
Total uses of working capital .....	8,249,903	5,761,913
Increase (decrease) in working capital .....	\$ 962,021	\$ 378,002
Elements of increase (decrease) in working capital:		
Cash and short-term investments .....	\$ 171,260	\$ 586,448
Accounts receivable .....	9,548,680	656,260
Current portion of due from other funds .....	1,631,110	(16,874,320)
Inventories .....	184,455	(35,227)
Warrants and accounts payable .....	(4,556,427)	(5,950,910)
Due to third-party payors .....	(7,141,584)	18,925,000
Accrued liabilities .....	163,037	(487,370)
Due to other funds .....	—	3,179,000
Current portion of lease obligations .....	961,490	379,121
Increase (decrease) in working capital .....	\$ 962,021	\$ 378,002

See accompanying notes to general purpose financial statements.

**Exhibit E-7**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUSTEES OF HEALTH AND HOSPITALS**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments . . . . .	\$ 2,801,527	\$5,348,855
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Accounts . . . . .	7,519,473	3,797,484
Other assets . . . . .	79,222	—
Property, plant and equipment (net of accumulated depreciation) . . . . .	156,049	222,370
Total assets . . . . .	<u>\$10,556,271</u>	<u>\$9,368,709</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable . . . . .	\$ 1,081,941	\$ 788,560
Accrued liabilities:		
Other . . . . .	787,656	745,342
Intergovernmental . . . . .	4,594,657	4,053,983
Due to other funds . . . . .	2,915,775	2,933,861
Total liabilities . . . . .	<u>9,380,029</u>	<u>8,521,746</u>
Fund Balances:		
Proprietary fund equity . . . . .	1,176,242	846,963
Total fund equity . . . . .	<u>1,176,242</u>	<u>846,963</u>
Total liabilities and fund equity . . . . .	<u>\$10,556,271</u>	<u>\$9,368,709</u>

See accompanying notes to general purpose financial statements.

**Exhibit E-8**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUSTES OF HEALTH AND HOSPITALS**  
**Comparative Statement of Revenues, Expenses**  
**and Changes in Retained Earnings**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
Operating revenues:		
Programs .....	\$25,793,508	\$21,634,526
Total operating revenues .....	25,793,508	21,634,526
Operating expenses:		
Administrative and general .....	1,647,712	1,439,432
Depreciation .....	81,431	73,225
Subsidies for community services, special programs and real estate operations .....	24,227,501	20,244,984
Total operating expenses .....	25,956,644	21,757,641
Operating income (loss) .....	(163,136)	(123,115)
Operating transfer in (out), net .....	492,415	472,645
Net income (loss) .....	329,279	349,530
Fund equity, beginning of year .....	846,963	497,433
Fund equity, at end of year .....	\$ 1,176,242	\$ 846,963

See accompanying notes to general purpose financial statements.



**Exhibit E-9**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUSTEES OF HEALTH AND HOSPITALS**  
**Comparative Statement of Changes in Financial Position**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
Sources of working capital:		
Operations:		
Net income (loss) . . . . .	\$ 329,279	\$ 349,530
Items not requiring funds:		
Depreciation . . . . .	80,631	73,225
Funds provided by operations . . . . .	409,910	422,755
Use of funds:		
Acquisitions of property, plant and equipment . . . . .	14,310	132,938
Retirement of long-term obligations . . . . .	—	30,128
Total uses of working capital . . . . .	14,310	163,066
Increase (decrease) in working capital . . . . .	\$ 395,600	\$ 269,689
Elements of increase (decrease) in working capital:		
Cash and short-term investments . . . . .	\$(2,547,328)	\$ 2,296,486
Accounts receivable . . . . .	3,722,473	(991,646)
Other current assets . . . . .	79,222	—
Warrants and accounts payable . . . . .	(292,941)	51,019
Accrued liabilities . . . . .	(72,669)	167,659
Intergovernmental payable . . . . .	(540,657)	(1,185,431)
Due to other funds . . . . .	17,500	(88,695)
Current portion of lease obligations . . . . .	30,000	10,297
Increase (decrease) in working capital . . . . .	\$ 395,600	\$ 259,689

See accompanying notes to general purpose financial statements.

**Exhibit E-10**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION**  
**Comparative Balance Sheet**  
**June 30, 1988 and 1987**

	1988	1987
<b>ASSETS</b>		
Cash and short-term investments . . . . .	\$ 1,220,948	\$ 1,685,828
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):		
Intergovernmental . . . . .	1,387,570	2,265,280
Accounts . . . . .	460,080	974,542
Loans . . . . .	16,981,213	17,224,941
Other assets . . . . .	3,529,223	3,912,096
Property, plant and equipment (net of accumulated depreciation) . . . . .	15,801,940	14,850,566
Total assets . . . . .	<u>\$39,380,974</u>	<u>\$40,913,253</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable . . . . .	\$ 2,119,742	\$ 1,675,147
Accrued liabilities:		
Other . . . . .	1,205,069	980,428
Intergovernmental . . . . .	34,713	—
Due to other funds . . . . .	403,982	13,844,489
Deferred revenue . . . . .	14,180,893	475,499
Obligations under capital lease . . . . .	127,098	59,888
General obligation bonds and notes payable . . . . .	18,880,821	19,359,163
Total liabilities . . . . .	<u>36,952,318</u>	<u>36,394,614</u>
Fund Balances:		
Proprietary fund equity . . . . .	2,428,656	4,518,639
Total fund equity . . . . .	<u>2,428,656</u>	<u>4,518,639</u>
Total liabilities and fund equity . . . . .	<u>\$39,380,974</u>	<u>\$40,913,253</u>

See accompanying notes to general purpose financial statements.

**Exhibit E-11**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION**  
**Comparative Statement of Revenues, Expenses**  
**and Changes in Retained Earnings**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
Operating revenues:		
Investment income .....	\$1,229,250	\$1,285,814
Rental income .....	4,520,024	4,192,060
Intergovernmental .....	1,047,142	1,178,468
Miscellaneous .....	667,660	820,796
Total operating revenues .....	7,464,076	7,477,138
Operating expenses:		
Salaries, wages and fringe benefits .....	3,028,575	2,287,940
Professional fees .....	961,000	408,416
Materials and supplies .....	46,044	51,284
Administrative and general .....	2,383,783	1,865,023
Depreciation .....	1,416,440	1,432,062
Interest .....	1,718,217	1,406,793
Total operating expenses .....	9,554,059	7,451,527
Net income (loss) .....	(2,089,983)	25,611
Fund equity, beginning of year .....	4,518,639	4,493,028
Fund equity, at end of year .....	\$ 2,428,656	\$4,518,639

See accompanying notes to general purpose financial statements.

**Exhibit E-12**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION**  
**Comparative Statement of Changes in Financial Position**  
**Years Ended June 30, 1988 and 1987**

	1988	1987
Sources of working capital:		
Operations:		
Net income (loss) . . . . .	\$(2,089,983)	\$ 25,611
Items not requiring funds:		
Depreciation . . . . .	1,416,440	1,432,062
Funds provided by operations . . . . .	(673,543)	1,457,673
Decrease in other assests . . . . .	1,672,737	2,804,498
Increase in other liabilities . . . . .	263,000	—
Total sources of funds . . . . .	1,262,194	4,262,171
Uses of working capital:		
Acquisitions of property, plant and equipment . . . . .	2,367,815	3,248,395
Retirement of long-term obligations . . . . .	131,000	428,563
Decrease in other liabilities . . . . .	—	527,114
Total uses of working capital . . . . .	2,498,815	4,204,072
Increase (decrease) in working capital . . . . .	\$(1,236,621)	\$ 58,099
Elements of increase (decrease) in funds:		
Cash and short-term investments . . . . .	\$ (464,880)	\$ (199,791)
Intergovernmental . . . . .	317,710	(135,803)
Accounts receivable . . . . .	(184,620)	(160,801)
Current portion of loans payable . . . . .	(8,984)	14,486
Other current assets . . . . .	(851,873)	(40,040)
Warrants and accounts payable . . . . .	(374,905)	151,125
Accrued liabilities . . . . .	110,569	(112,594)
Intergovernmental payable . . . . .	(34,714)	154,927
Deferred revenue and allowances . . . . .	—	38,782
Due to other funds . . . . .	71,517	234,732
Current portion of lease obligations . . . . .	183,559	113,076
Increase (decrease) in working capital . . . . .	\$(1,236,621)	\$ 58,099

See accompanying notes to general purpose financial statements.

## TRUST AND AGENCY FUNDS

Trust and Agency funds account for assets held in a trustee capacity or as an agent for individuals, private corporations, other governments, and other funds.

### PENSION TRUSTS

*State-Boston Retirement System.* Is a defined benefit contributory retirement plan covering employees of the City of Boston, Boston Housing Authority, Boston Redevelopment Authority, and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

*Boston Retirement.* Is the independent contributory plan system available exclusively to the City of Boston employees who were employed prior to October 1, 1946.

*Health and Hospital Pension Trust.* Is a sub-account of the City of Boston's Pension Fund. This Fund is designed to be a mechanism for the collection of revenues from third-party payers for services provided by the Health and Hospitals Department. It was established solely for the purpose of offsetting the future costs of the Department's pension liability.

### NONEXPENDABLE TRUST FUNDS

*City Funds.* Are funds bequeathed and donated which designate that income but not principal may be expended. These funds are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of the inhabitants of the City of Boston.

*Schools Funds.* Are funds bequeathed and donated which designate that income but not principal may be expended. These funds are used for scholarship awards, the purchase of educational equipment, and to aid needy students.

*George Robert White Fund.* Was formed by the will of George R. White dated May 21, 1920. The will principally requires that the Fund's income is to be used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City of Boston.

### EXPENDABLE TRUST FUNDS

*City Funds.* Accounts for the accumulated interest and dividends generated from the unexpendable City Funds awaiting expenditure or reinvestment of principal and income.

*School Funds.* Account for the accumulated interest and dividends generated from the nonexpendable City Funds awaiting expenditure or reinvestment of principal and income.

*George Robert White Fund.* Account for the accumulated interest and dividends generated from the nonexpendable City Funds awaiting expenditure or reinvestment of principal and income.

*Neighborhood Housing Fund.* Established on June 6, 1986, by City Council ordinance to support the creation and preservation of affordable housing for low- and moderate-income residents of Boston's neighborhoods. As mandated, developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

*Neighborhood Jobs Fund.* Established on February 26, 1986, to protect and provide employment opportunities for low- and moderate-income residents of the City of Boston. As mandated by the Boston Zoning Code, developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two-year period.

*Trustees of Health and Hospitals.* The funds principally represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston City Hospital.

*Trustees of the Public Library.* The funds principally represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston Public Library.

### AGENCY FUNDS

*Blue Cross/Blue Shield Agency Fund.* This agency fund accounts for contributions received from both employer and employee to pay for health insurance costs to Blue Cross/Blue Shield.

*Boston Redevelopment Authority Agency Fund.* Resources received and held by the Authority as an agent for other entities including Urban Development Grants (UDAGs) and other funds for housing initiatives.





## TRUST AND AGENCY FUNDS

**Exhibit F-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUST AND AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	Pension Funds			
	State/Boston Retirement System	Boston Retirement System	Health and Hospitals Pension Trust	Total Pension Trust
<b>ASSETS</b>				
Cash and short-term investments . . . . .	\$114,216,000	\$1,621,374	\$11,205,004	\$127,042,378
Other investments . . . . .	624,490,000	—	27,854,000	652,344,000
Receivables:				
Intergovernmental . . . . .	—	138,522	—	138,522
Accounts . . . . .	22,552,000	—	—	22,552,000
Due from other funds . . . . .	5,701,000	—	—	5,701,000
Notes . . . . .	—	—	—	—
Other assets . . . . .	—	—	—	—
Property, plant and equipment . . . . .	—	—	—	—
Total assets . . . . .	\$766,959,000	\$1,759,896	\$39,059,004	\$807,777,900
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Warrants and accounts payable . . . . .	\$ 17,815,000	—	—	\$ 17,815,000
Other accrued liabilities . . . . .	—	—	—	—
Due to other funds . . . . .	580,000	—	—	580,000
Total liabilities . . . . .	18,395,000	—	—	18,395,000
Fund balance:				
Reserved for:				
Encumbrances . . . . .	—	—	—	—
Employee retirement system . . . . .	748,564,000	1,759,896	39,059,004	789,382,900
Unreserved:				
Undesignated . . . . .	—	—	—	—
Designated . . . . .	—	—	—	—
Total fund balances . . . . .	748,564,000	1,759,896	39,059,004	789,382,900
Total liabilities and fund balances . . . . .	\$766,959,000	\$1,759,896	\$39,059,004	\$807,777,900

See accompanying notes to general purpose financial statements.

**Exhibit F-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUST AND AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

Nonexpendable Trust Funds				
City Funds	School Funds	George Robert White Fund	Trustees of Public Library	Total Nonexpendable Trust Funds
\$ 1,832,265	\$418,176	\$ 2,115,343	\$ 587,697	\$ 4,953,481
17,693,127	64,543	8,488,022	12,354,321	38,600,013
—	—	—	—	—
—	—	—	—	—
208,910	—	—	—	208,910
—	—	—	—	—
—	—	—	—	—
60,000	—	131,162	—	191,162
\$19,794,302	\$482,719	\$10,734,527	\$12,942,018	\$43,953,566
—	—	—	—	—
—	\$ 623	—	—	\$ 623
—	—	—	—	—
—	\$ 623	—	—	\$ 623
—	—	—	—	—
—	—	—	—	—
\$19,794,302	482,096	\$10,734,527	\$12,942,018	43,952,943
—	—	—	—	—
19,794,302	482,096	10,734,527	12,942,018	43,952,943
\$19,794,302	\$482,719	\$10,734,527	\$12,942,018	\$43,953,566

**Exhibit F-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUST AND AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 1987**  
**(with comparative totals for June 30, 1987)**

	Expendable Trust Funds			
	City Funds	School Funds	George Robert White Fund	Trustees of Public Library
<b>ASSETS</b>				
Cash and short-term investments .....	\$ 6,085,916	\$293,100	\$1,187,371	\$ 642,962
Other investments .....	7,720,933	30,673	4,686,203	2,478,723
Receivables:				
Intergovernmental .....	—	—	—	—
Accounts .....	—	—	—	—
Due from other funds .....	—	—	—	—
Notes .....	—	—	327,500	—
Other assets .....	—	—	—	—
Property, plant and equipment .....	—	—	—	—
Total assets .....	<u>\$13,806,849</u>	<u>\$323,773</u>	<u>\$6,201,074</u>	<u>\$3,121,605</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Warrants and accounts payable .....	—	—	—	—
Other accrued liabilities .....	\$ 91,459	\$ 2,112	\$ 47,095	—
Due to other funds .....	592,032	—	843,776	—
Total liabilities .....	<u>683,491</u>	<u>2,112</u>	<u>890,871</u>	<u>—</u>
Fund balance:				
Reserved for:				
Encumbrances .....	3,249,621	—	1,856,748	—
Employee retirement system .....	—	—	—	—
Unreserved:				
Undesignated .....	9,873,737	114,829	3,453,455	—
Designated .....	—	206,832	—	3,121,685
Total fund balance .....	<u>13,123,358</u>	<u>321,661</u>	<u>5,310,203</u>	<u>3,121,685</u>
Total liabilities and fund balances .....	<u>\$13,806,849</u>	<u>\$323,773</u>	<u>\$6,201,074</u>	<u>\$3,121,685</u>

See accompanying notes to general purpose financial statements.



**Exhibit F-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUST AND AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

Expendable Trust Funds			
Trustees of Health and Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Total Expendable Trust Funds
\$ 4,535,764	\$1,134,074	\$ 49,495	\$13,928,682
8,551,779	—	—	23,468,311
—	—	—	—
—	689,847	1,206,198	1,896,045
699,578	—	—	699,578
—	—	—	327,500
—	—	—	—
—	—	—	—
\$13,787,121	\$1,823,921	\$1,255,693	\$40,320,116
—	—	—	—
—	—	—	\$ 140,666
—	—	—	1,435,808
—	—	—	1,576,474
—	—	—	5,106,369
—	—	—	—
\$13,787,121	\$1,808,076	\$1,228,559	30,265,777
—	15,845	27,134	3,371,496
\$13,787,121	1,823,921	1,255,693	38,743,642
\$13,787,121	\$1,823,921	\$1,255,693	\$40,320,116

**Exhibit F-1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**TRUST AND AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	Agency Funds			Totals	
	Blue Cross/ Blue Shield Agency Fund	B.R.A. Agency Fund	Total Agency Funds	1988	1987
<b>ASSETS</b>					
Cash and short-term investments . . . . .	\$ 6,562,899	—	\$ 6,562,899	\$152,487,440	\$152,930,373
Other investments . . . . .	5,264,581	\$ 3,352,722	8,617,303	723,029,627	666,901,294
Receivables:					
Intergovernmental . . . . .	—	210,402	210,402	348,924	35,922,540
Accounts . . . . .	—	—	—	24,448,045	15,208,608
Due from other funds . . . . .	—	—	—	6,609,488	12,176,435
Notes . . . . .	—	22,960,544	22,960,544	23,288,044	23,218,044
Other assets . . . . .	—	—	—	—	3,500,000
Property, plant and equipment . . . . .	—	—	—	191,162	191,162
Total assets . . . . .	\$11,827,480	\$26,523,668	\$38,351,148	\$930,402,730	\$910,048,456
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Warrants and accounts payable . . . . .	—	—	—	\$ 17,815,000	\$ 18,731,000
Other accrued liabilities . . . . .	\$ 8,697,591	\$25,151,534	\$33,849,125	33,990,414	31,692,403
Due to other funds . . . . .	3,129,889	1,372,134	4,502,023	6,517,831	14,849,084
Total liabilities . . . . .	11,827,480	26,523,668	38,351,148	58,323,245	65,272,487
<b>Fund balance:</b>					
Reserved for:					
Encumbrances . . . . .	—	—	—	5,106,369	7,092,000
Employee retirement system . . . . .	—	—	—	789,382,900	765,845,940
Unreserved:					
Undesignated . . . . .	—	—	—	74,218,720	68,966,920
Designated . . . . .	—	—	—	3,371,496	2,871,109
Total fund balance . . . . .	—	—	—	872,079,485	844,775,969
Total liabilities and fund balance . . . .	\$ 11,827,480	\$26,523,668	\$38,351,148	\$930,402,730	\$910,048,456

See accompanying notes to general purpose financial statements.

**Exhibit F-2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PENSION TRUST FUNDS**  
**Comparative Balance Sheet**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

				Totals	
	State-Boston Retirement System	Boston Retirement System	Health and Hospitals Pension Trust	1988	1987
ASSETS					
Cash and short-term investments . . . . .	\$114,216,000	\$1,621,374	\$11,205,004	\$127,042,378	\$125,590,802
Other investments . . . . .	624,490,000	—	27,854,000	652,344,000	602,641,000
Receivables:					
Intergovernmental . . . . .	—	138,522	—	138,522	35,712,138
Accounts . . . . .	22,552,000	—	—	22,552,000	14,630,000
Due from other funds . . . . .	5,701,000	—	—	5,701,000	6,003,000
Total assets . . . . .	\$766,959,000	\$1,759,896	\$39,059,004	\$807,777,900	\$784,576,940
LAIBILITIES AND FUND BALANCES					
Liabilities:					
Warrants and accounts payable . . . . .	\$ 17,815,000	—	—	\$17,815,000	\$ 18,731,000
Due to other funds . . . . .	580,000	—	—	580,000	—
Total liabilities . . . . .	18,395,000	—	—	18,395,000	18,731,000
Fund Balance:					
Reserved:					
Employee retirement system . . . . .	748,564,000	1,759,896	39,059,004	789,382,900	765,845,940
Total fund balance . . . . .	748,564,000	1,759,896	39,059,004	789,382,900	765,845,940
Total liabilities and fund balance . . . . .	\$766,959,000	\$1,759,896	\$39,059,004	\$807,777,900	\$784,576,940

See accompanying notes to general purpose financial statements.

**Exhibit F-3**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PENSION TRUST FUNDS**

**Comparative Statements of Revenues, Expenses and Changes in Fund Equity**  
**Year Ended June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	State-Boston Retirement System	Boston Retirement System	Health and Hospitals Pension Trust	Totals	
				1988	1987
<b>REVENUES:</b>					
Investment income .....	\$ 36,617,000	\$ 78,650	\$ 2,385,908	\$ 39,081,558	\$ 46,822,995
Net (depreciation) in fair value of investments .....	(43,112,000)	—	—	(43,112,000)	10,778,000
Contributions .....	171,499,000	801,402	91,000	172,391,402	161,300,298
Intergovernmental .....	12,842,000	138,522	—	12,980,522	27,320,968
Miscellaneous .....	21,000	—	—	21,000	23,000
Total revenues .....	177,867,000	1,018,574	2,476,908	181,362,482	246,245,261
<b>EXPENSES:</b>					
Salaries, wages and fringe benefits .....	981,000	—	—	981,000	911,000
Professional fees .....	1,942,000	—	—	1,942,000	313,000
Materials and supplies .....	138,000	—	—	138,000	34,000
Administrative and general .....	72,000	—	87,198	159,198	43,389
Benefits paid .....	140,277,000	756,164	—	141,033,164	134,649,389
Members refunds, transfers and reimbursements to other systems, net .....	13,526,000	46,160	—	13,572,160	14,858,000
Total expenses .....	159,936,000	802,324	87,198	157,825,522	150,808,470
Excess (deficiency) of revenues over expenses .....	20,931,000	216,000	2,389,710	23,536,960	95,436,791
Fund equity, beginning of year .....	727,633,000	1,543,646	36,669,294	765,845,940	670,409,149
Fund equity, end of year .....	\$748,564,000	\$1,759,896	\$39,059,004	\$789,382,900	\$765,845,940

See accompanying notes to general purpose financial statements.

**Exhibit F-4**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PENSION TRUST FUNDS**  
**Comparative Statement of Changes in Financial Position**  
**Year Ended June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	State-Boston Retirement System	Boston Retirement System	Health and Hospitals Pension Trust	Totals	
				1988	1987
Sources of working capital:					
Operations:					
Net income (loss)	\$ 20,931,000	\$ 216,250	\$ 2,389,710	\$ 23,536,960	\$ 95,436,791
Funds provided by operations	20,931,000	216,250	2,389,710	23,536,960	95,436,791
Loss on sale of investments and other	26,426,000	—	—	26,426,000	—
Total sources of funds	\$ 47,357,000	\$ 216,250	\$ 2,389,710	\$ 49,962,960	\$ 95,436,791
Elements of net increase (decrease) in working capital:					
Cash and short-term investments	\$ 25,077,000	\$ 1,206,866	\$ (24,832,290)	\$ 1,451,576	\$ 79,114,823
Other investments	48,275,000	—	27,854,000	76,129,000	33,273,000
Intergovernmental	(35,383,000)	(190,616)	—	(35,573,616)	27,219,968
Accounts receivable	7,922,000	—	—	7,922,000	(5,538,000)
Current portion of due from other funds	1,130,000	(800,000)	(632,000)	(302,000)	(33,109,000)
Warrants and accounts payable	916,000	—	—	916,000	(6,513,000)
Due to other funds	(580,000)	—	—	(508,000)	989,000
Increase (decrease) in working capital	\$ 47,357,000	\$ 216,250	\$ 2,389,710	\$ 49,962,960	\$ 95,436,791

See accompanying notes to general purpose financial statements.



**Exhibit F-5**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**NONEXPENDABLE TRUST FUNDS**  
**Comparative Balance Sheet**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

					Totals	
	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	1988	1987
ASSETS						
Cash and short-term investments . .	\$ 1,832,265	\$418,176	\$ 2,115,343	\$ 587,697	\$ 4,953,481	\$ 3,477,293
Other investments . . . . .	17,693,127	64,543	8,488,022	12,354,321	38,600,013	25,510,638
Due from other funds . . . . .	208,910	—	—	—	208,910	65,952
Property, plant and equipment . . .	60,000	—	131,162	—	191,162	191,162
Total assets . . . . .	\$19,794,302	\$482,719	\$10,734,527	\$12,942,018	43,953,566	\$29,245,045
LIABILITIES AND FUND BALANCES						
Liabilities:						
Other accrued liabilities . . . . .	—	\$ 623	—	—	\$ 623	—
Total liabilities . . . . .	—	623	—	—	623	—
Fund balance:						
Unreserved:						
Undesignated . . . . .	19,794,302	482,096	10,734,527	12,942,018	43,952,943	29,245,045
Total fund balance . . . . .	19,794,302	482,096	10,734,527	12,942,018	43,952,943	29,245,045
Total liabilities and fund balance . . . . .	\$19,794,302	\$482,719	\$10,734,527	\$12,942,018	\$43,952,943	\$29,245,045

See accompanying notes to general purpose financial statements.

**Exhibit F-6**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**NONEXPENDABLE TRUST FUNDS**  
**Comparative Statement of Revenues, Expenses and Changes in Fund Equity**  
**Year Ended June 30, 1988**  
**(with comparative totals for June 30, 1987)**

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals	
					1988	1987
REVENUES:						
Rental income . . . . .	—	—	—	—	—	\$ 10,000
Investment income . . . . .	\$ 1,965,544	\$ 45,768	\$ 1,438,312	\$ 1,466,776	\$ 4,916,400	2,444,458
Contributions . . . . .	—	—	—	652,407	652,407	691,673
Gain on sale of investments . . . .	—	—	—	—	—	4,919,337
Miscellaneous . . . . .	13,206	—	10,000	—	23,206	68,763
Total revenues . . . . .	1,978,750	45,768	1,448,312	2,119,183	5,592,013	8,134,231
OPERATING EXPENSES:						
Administrative and general . . . .	—	2,171	—	—	2,117	313
Scholarship and awards . . . . .	—	7,225	—	—	7,225	8,700
Libraries . . . . .	—	—	—	542,920	542,920	697,297
Total operating expenses . . . .	—	9,396	—	542,920	552,316	706,310
Operating income (loss) . . . .	1,978,750	36,372	1,448,312	1,576,263	5,039,697	7,427,921
Operating transfers in (out), net . .	(1,089,269)	(7,004)	(601,281)	(446,567)	(2,144,121)	(2,253,032)
Net income (loss) . . . . .	889,481	29,368	847,031	1,129,696	2,895,576	5,174,889
Fund equity, beginning of year . . .	18,904,821	452,728	9,887,496	11,812,322	41,057,367	35,882,478
Fund equity, end of year . . . . .	\$19,794,302	\$482,096	\$10,734,527	\$12,942,018	\$43,952,943	\$41,057,367

See accompanying notes to general purpose financial statements.

**Exhibit F-7**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**NONEXPENDABLE TRUST FUNDS**  
**Comparative Statement of Changes in Financial Position**  
**Year Ended June 30, 1988**  
**(with comparative totals for June 30, 1987)**

					Totals	
	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	1988	1987
Sources of working capital:						
Operations:						
Net income (loss) . . . . .	\$ 889,481	\$ 29,368	\$ 847,031	\$1,129,696	\$2,895,576	\$5,174,889
Funds provided by opera- tions. . . . .	889,481	29,368	847,031	1,129,696	2,895,576	5,174,889
Sale of investments. . . . .	481,365		347,488		828,853	1,557,779
Total sources of income . . . .	1,370,846	29,368	1,194,519	1,129,696	3,724,429	6,732,668
Uses of funds:						
Purchase of investments . . . . .	1,025,630	903	537,374	1,045,872	2,609,779	3,599,496
Total use of working capital .	1,025,630	903	537,374	1,045,872	2,609,779	3,599,496
Increase (decrease) in work- ing capital . . . . .	\$ 345,216	\$ 28,465	\$ 657,145	\$ 83,824	\$1,114,650	\$3,133,172
Elements of net increase (decrease) in funds:						
Cash and short-term investments.	\$ 202,258	\$ 29,088	\$ 657,145	\$ 83,824	\$ 972,315	\$1,287,615
Other investments . . . . .					—	1,779,605
Current portion of due from other funds. . . . .	142,958				142,958	65,952
Accrued liabilities . . . . .		(623)			(623)	
Increase (decrease) in funds .	\$ 345,216	\$ 28,465	\$ 657,145	\$ 83,824	\$1,114,650	\$3,133,172

See accompanying notes to general purpose financial statements.

**Exhibit F-8**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**EXPENDABLE TRUST FUNDS**  
**COMPARATIVE BALANCE SHEET**  
**June 30, 1988**  
**(with comparative totals for June 30, 1987)**

								Totals	
								1988	1987
ASSETS									
City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Trustees of Health and Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund			
Cash and short-term investments	\$ 6,085,916	\$293,100	\$1,187,371	\$ 642,962	\$ 4,535,764	\$ 49,495	\$13,928,682	\$13,563,589	
Other investments	7,720,933	30,673	4,686,203	2,478,723	8,551,779	—	23,468,311	35,396,934	
Receivables:									
Accounts	—	—	—	—	—	689,847	1,206,198	578,608	
Due from other funds	—	—	—	—	699,578	—	699,578	824,327	
Notes	—	—	327,500	—	—	—	327,500	257,500	
Total assets	\$13,806,849	\$323,773	\$6,201,074	\$3,121,685	\$13,787,121	\$1,823,921	\$40,320,116	\$50,620,958	
LIABILITIES AND FUND BALANCES									
Liabilities:									
Other accrued liabilities	\$ 91,459	\$ 2,112	\$ 47,095	—	—	—	\$ 140,666	\$ 136,147	
Due to other funds	592,032	—	843,776	—	—	—	1,435,808	799,827	
Total liabilities	683,491	2,112	890,871	—	—	—	1,576,474	935,974	
Fund balance:									
Reserved:									
Encumbrances	3,249,621	—	1,856,748	—	—	—	5,106,369	7,092,000	
Unreserved:									
Undesignated	9,873,737	114,829	3,453,455	—	13,787,121	1,808,076	1,228,559	39,721,875	
Designated	—	206,832	—	3,121,685	—	15,845	27,134	2,871,109	
Total fund balance	13,123,358	321,661	5,310,203	3,121,685	13,787,121	1,823,921	1,255,693	49,684,984	
Total liabilities and fund balance	\$13,806,849	\$323,773	\$6,201,074	\$3,121,685	\$13,787,121	\$1,823,921	\$1,255,693	\$50,620,958	

See accompanying notes to general purpose financial statements.

# Exhibit F-9

## CITY OF BOSTON AND COUNTY OF SUFFOLK

### EXPENDABLE TRUST FUNDS

#### Comparative Statement of Revenues, Expenditures and Changes in Fund Equity

Year Ended June 30, 1988

(with comparative totals for June 30, 1987)

	Totals								
	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Trustees of Health and Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	1988	1987
REVENUES:									
Rental income.....	—	—	—	—	—	—	—	—	\$ 20,943
Investment income .....	\$ 939,642	\$ 26,401	\$ 395,811	\$ 180,755	\$ 913,900	\$ 33,192	\$ 891	\$ 2,490,592	2,829,731
Sale of real estate .....	—	—	—	—	—	—	—	—	285,000
Contributions and donations .....	262,347	—	—	151,791	—	—	—	414,138	—
Other revenue.....	447,133	—	70,000	—	—	701,230	1,241,832	2,460,195	2,299,938
Total revenue .....	1,649,122	26,401	465,811	332,546	913,900	734,422	\$1,242,723	\$5,364,925	5,435,612
EXPENDITURES:									
General government.....	522,595	—	—	—	—	—	—	522,595	293,768
Parks and Recreation .....	1,731,161	—	—	—	—	—	—	1,731,161	398,336
Human services .....	—	—	—	—	—	—	15,000	15,000	—
Schools .....	—	23,690	—	—	—	—	—	23,690	21,506
Public works.....	—	—	2,745,465	—	—	—	—	2,745,465	240,787
Library .....	—	—	—	328,151	—	—	—	328,151	—
Miscellaneous .....	—	3,538	273,101	—	—	2,914	36	279,589	—
Property and development .....	—	—	—	—	—	—	—	—	566,297
Total expenditures.....	2,253,756	27,228	3,016,566	328,151	—	2,914	15,036	5,645,651	1,520,694
Excess (deficiency) of revenue over expenditures....	(604,634)	(827)	(2,552,755)	4,395	913,900	731,508	1,227,687	(280,726)	3,914,918
Other funding sources (uses):									
Operating transfers in (out)	589,269	7,004	601,281	446,567	(492,415)	—	—	1,151,706	364,031
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(15,365)	6,177	(1,951,474)	450,962	421,485	731,508	1,227,687	870,980	4,278,949
Fund equity, beginning of year.....	13,138,723	315,484	7,261,677	2,670,723	13,365,636	1,092,413	28,006	37,872,662	33,593,713
Fund equity, end of year ....	\$13,123,358	\$321,661	\$5,310,203	\$3,121,685	\$13,787,121	\$1,823,921	\$1,255,693	\$38,743,642	\$37,872,662

See accompanying notes to general purpose financial statements.



**Exhibit F-10**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ALL AGENCY FUNDS**  
**Statement of Changes in Assets and Liabilities**  
**June 30, 1988**

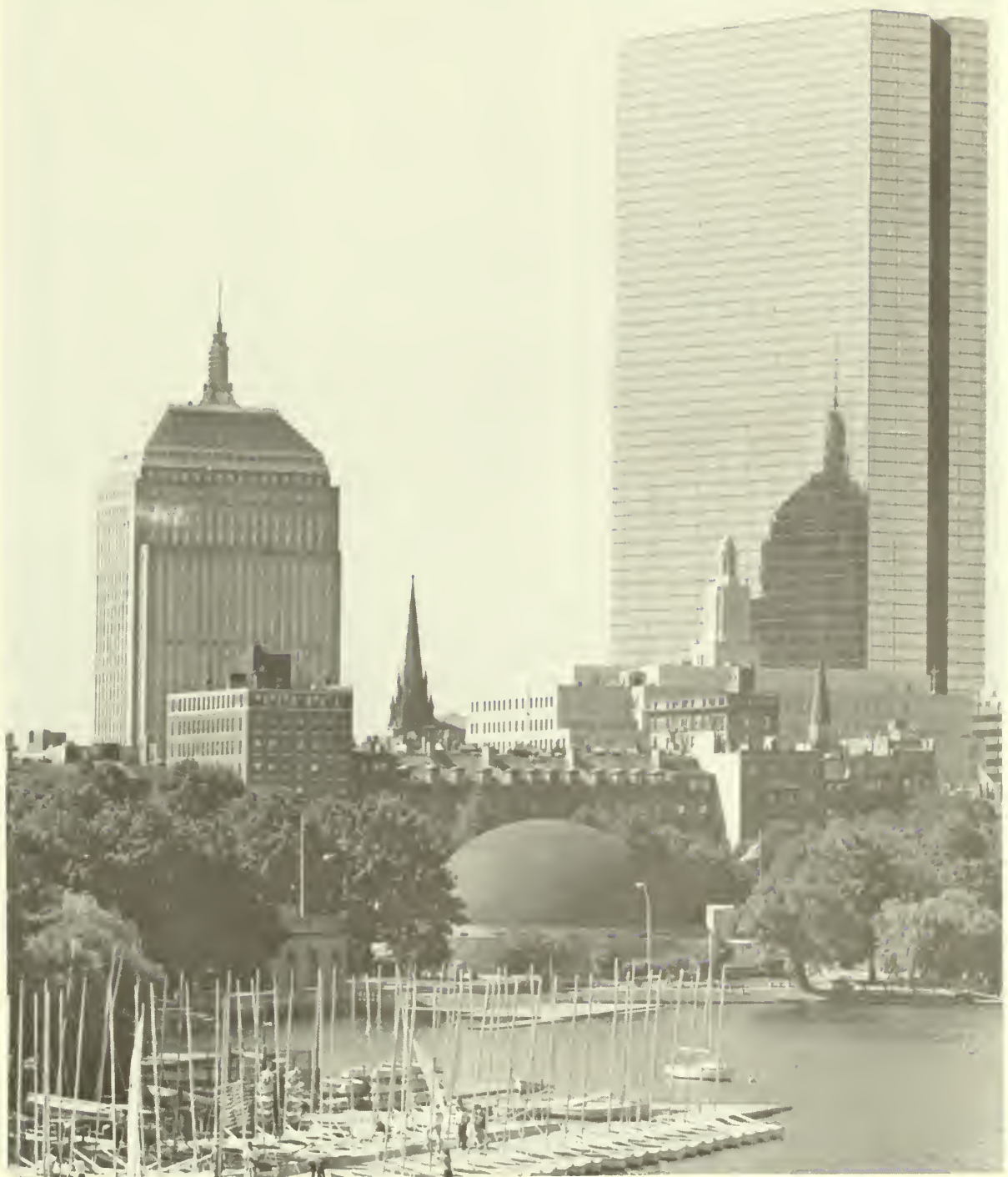
	Balance July 1, 1987	Additions	Deductions	Balance June 30, 1988
<b>BLUE CROSS/BLUE SHEILD AGENCY FUND</b>				
<b>Assets:</b>				
Cash and short-term investments .....	\$ 10,299,412	\$ 45,088,903	\$ 48,825,416	\$ 6,562,899
Other investments .....	—	5,264,581	—	5,264,581
Due from other funds .....	5,283,065	—	5,283,065	—
Other assets .....	3,500,000	—	3,500,000	—
Total assets .....	\$ 19,082,477	\$ 50,353,484	\$ 57,608,481	\$ 11,827,480
<b>Liabilities:</b>				
Other accrued liabilities .....	\$ 6,404,212	\$ 8,462,591	\$ 6,169,212	\$ 8,687,591
Due to other funds .....	12,678,264	—	9,548,376	3,129,889
Total liabilities .....	\$ 19,082,477	\$ 8,462,591	\$ 15,717,588	\$ 11,827,480
<b>BOSTON REDEVELOPMENT AUTHORITY FUND</b>				
<b>Assets:</b>				
Cash and short-term investments .....	\$ 31,637	—	\$ 31,637	—
Other investments .....	3,530,180	\$ 1,607,121	2,501,916	\$ 2,635,385
<b>Receivables:</b>				
Intergovernmental .....	318,000	210,402	318,000	210,402
Accounts .....	(48,475)	1,309,951	1,261,476	—
Notes .....	—	22,960,544	—	22,960,544
Other assets .....	210,402	—	210,402	—
Total assets .....	\$ 4,041,744	\$ 26,088,018	\$ 4,323,431	\$ 25,806,331
<b>Liabilities:</b>				
Other accrued liabilities .....	\$ 2,889,020	\$ 25,618,697	\$ 2,911,788	\$ 25,595,929
Due to other funds .....	1,152,724	—	942,322	210,402
Total liabilities .....	\$ 4,041,744	\$ 25,618,697	\$ 3,854,110	\$ 25,806,331

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.



STATISTICAL SECTION  
(Unaudited)





**STATISTICAL SECTION  
(Unaudited)**



**Table 1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (a)**  
**GAAP Basis**  
**Last Ten Fiscal Years**  
**(in thousands)**

Fiscal Year	General Government	Public Safety	Public Works	Property and Development	Libraries	Parks and Recreation	Human Services	Schools
1979	\$34,084	\$ 89,686	\$26,838	\$ 4,550	\$ 9,904	\$ 8,541	\$2,316	\$197,133
% of Total	6.10%	16.04%	4.80%	0.81%	1.77%	1.53%	0.41%	35.25%
% of Change	19.04%	6.28%	-23.87%	78.92%	7.75%	0.61%	760.97%	12.90%
1980	\$37,267	\$105,694	\$30,072	\$4,812	\$10,326	\$9,036	\$2,957	\$213,036
% of Total	5.68%	16.10%	4.58%	0.73%	1.57%	1.38%	0.45%	32.45%
% of Change	9.34%	17.85%	12.05%	5.76%	4.26%	5.80%	27.68%	8.07%
1981	\$44,166	\$103,485	\$32,119	\$4,968	\$9,598	\$9,592	\$ 417	\$234,422
% of Total	7.12%	16.68%	5.18%	0.80%	1.55%	1.55%	0.07%	37.79%
% of Change	18.51%	-2.09%	6.81%	3.24%	-7.05%	6.15%	-85.90%	10.04%
1982	\$43,997	\$89,659	\$29,154	\$5,513	\$7,991	\$5,362	\$ 384	\$199,874
% of Total	7.76%	15.80%	5.14%	0.97%	1.41%	0.95%	0.07%	35.23%
% of Change	-0.38%	-13.36%	-9.23%	10.97%	-16.74%	-44.10%	-7.91%	-14.74%
1983	\$53,270	\$106,966	\$33,689	\$ 594	\$10,363	\$5,562	\$4,524	\$211,500
% of Total	7.91%	15.89%	5.01%	0.09%	1.54%	0.83%	0.67	31.42%
% of Change	21.08%	12.83%	15.56%	59.68%	29.68%	3.73%	46.41%	5.82%
1984	\$33,817	\$126,955	\$37,960	\$17,987	\$12,271	\$8,296	\$5,116	\$232,205
% of Total	5.06%	18.99%	5.68%	2.69%	1.84%	1.24%	0.77%	34.74%
% of Change	-36.52%	18.69%	12.68%	2,928.11%	18.41%	49.15%	13.09%	9.79%
1985	\$33,685	\$123,537	\$37,570	\$15,724	\$12,481	\$6,967	\$4,981	\$252,203
% of Total	5.46%	17.43%	5.30%	2.22%	1.76%	0.98%	0.70%	35.59%
% of Change	14.40%	-2.69%	-1.03%	-12.58%	1.71%	-16.02%	-2.64%	8.61%
1986	\$35,140	\$133,410	\$36,077	\$14,629	\$13,147	\$5,585	\$4,769	\$272,118
% of Total	4.87%	18.49%	5.00%	2.03%	1.82%	0.77%	0.66%	37.72%
% of Change	-9.16%	7.99%	-3.97%	-6.96%	5.34%	-19.84%	-4.26%	7.90%
1987	\$38,805	\$169,528	\$56,317	\$19,140	\$17,688	\$9,074	\$5,799	\$284,746
% of Total	4.74%	20.70%	6.88%	2.34%	2.16%	1.11%	0.71%	34.77%
% of Change	10.43%	27.07%	56.10%	30.84%	34.54%	62.47%	21.60%	4.64%
1988	\$43,752	\$198,234	\$64,962	\$21,890	\$20,155	\$13,981	\$5,738	\$322,748
% of Total	4.68%	21.23%	6.96%	2.34%	2.16%	1.50%	0.61%	34.56%
% of Change	12.75%	16.93%	15.35%	14.37%	13.95%	54.08%	-1.05%	13.95%

Note (a). Includes only expenditures that pertain to the General Fund.

**Table 1**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (a)**  
**GAAP Basis**  
**Last Ten Fiscal Years**  
**(in thousands)**

County	Retirement Costs	Other Employee Benefits	Judgments and Claims	State & District Assessments	Miscellaneous	Capital Outlays	Debt Service	Total
\$34,682	\$73,478	\$ 6,174	\$11,469	\$41,556	\$10,846	\$ 4,535	\$3,399	\$559,191
6.20%	13.14%	1.10%	2.05%	7.43%	1.94%	0.81%	0.61%	100.00%
8.25%	10.42%	-70.51%	75.15%	7.85%	228.17%	32.33%	204.03%	8.40%
\$12,347	\$77,012	\$ 9,327	\$92,227	\$39,984	\$ 7,207	\$ 2,254	\$3,044	\$656,602
1.88%	11.73%	1.42%	14.05%	6.09%	1.10%	0.34%	0.46%	100.00%
-64.40%	4.81%	51.07%	704.14%	-3.78%	-33.55%	-50.30%	-10.44%	17.42%
\$12,482	\$57,934	\$15,322	\$39,685	\$45,040	\$ 3,940	\$ 2,976	\$4,192	\$620,337
2.01%	9.34%	2.47%	6.40%	7.26%	0.64%	0.48%	0.68%	100.00%
1.09%	-24.77%	64.28%	-56.97%	12.65%	-45.33%	32.03%	37.71%	-5.52%
\$12,554	\$70,563	\$22,264	\$26,755	\$48,555	\$ 3,373	\$ 164	\$1,121	\$567,283
2.21%	12.44%	3.92%	4.72%	8.56%	0.59%	0.03%	0.20%	100.00%
0.58%	21.80%	-45.31%	-32.58%	7.80%	-14.39%	-94.49%	-73.26%	-8.55%
\$15,896	\$69,860	\$23,139	\$80,114	\$47,034	\$2,064	\$3,895	\$4,609	\$673,079
2.36%	10.38%	3.44%	11.90%	6.99%	0.31%	0.58%	0.68%	100.00%
26.62%	-1.00%	3.93%	199.44%	-3.13%	209.45%	2,275.00%	311.15%	18.65%
\$17,565	\$81,309	\$27,323	\$12,362	\$47,531	\$3,523	\$1,378	\$2,793	\$668,391
2.63%	12.16%	4.09%	1.85%	7.11%	0.53%	0.21%	0.42%	100.00%
10.50%	16.39%	18.08%	-84.57%	1.06%	70.69%	-64.62%	-39.40%	-0.70%
\$17,416	\$92,461	\$33,284	\$6,742	\$49,692	\$5,788	\$7,516	\$3,600	\$703,647
2.46%	13.05%	4.70%	0.95%	7.01%	0.82%	1.06%	0.51%	100.00%
-0.85%	13.72%	21.82%	-45.46%	4.55%	64.29%	445.43%	28.89%	6.02%
\$18,947	\$85,677	\$29,546	\$15,111	\$45,575	\$2,687	\$4,142	\$4,833	\$721,393
2.63%	11.88%	4.10%	2.09%	6.32%	0.37%	0.57%	0.67%	100.00%
8.79%	-7.34%	-11.23%	124.13%	-8.29%	-53.58%	-44.89%	34.25%	1.80%
\$22,187	\$92,466	\$32,880	\$11,585	\$45,213	\$3,534	\$6,620	\$3,402	\$818,984
2.71%	11.29%	4.01%	1.41%	5.52%	0.43%	0.81%	0.42%	100.00%
17.10%	7.92%	11.29%	-23.33%	-0.79%	31.52%	59.83%	-29.61%	13.53%
\$25,867	\$102,561	\$43,791	\$10,122	\$46,868	\$ 2,110	\$6,311	\$4,879	\$933,959
2.77%	10.98%	4.69%	1.03%	5.02%	0.22%	0.68%	0.52%	100.00%
16.59%	10.92%	33.18%	-12.63%	3.66%	-40.58%	-4.67%	43.42%	14.04%

**Table 2**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**GENERAL REVENUES BY SOURCE (a) (b)**  
**GAAP BASIS**  
**(in thousands)**

Fiscal Year	Real & Personal Property Tax	Excise Tax (c)	Payments in lieu of tax	License & Permits	Fines & Forfeits	Investment Income	Departmental Charges & Miscellaneous	Intergovernmental	Other	Total
1979	\$409,892	\$18,225	\$16,244	\$ 3,906	\$ 8,594	\$ 7,379	\$14,420	\$168,695	\$3,500	\$ 650,855
% of Total	62.98%	2.80%	2.50%	0.60%	1.32%	1.13%	2.22%	25.92%	0.54%	100.00%
% of Change	-1.87%	73.09%	2,406.79%	14.58%	6.41%	299.73%	-10.71%	46.43%	-10.19%	13.48%
1980	\$399,417	\$15,613	\$18,829	\$ 4,154	\$ 6,985	\$ 8,015	\$16,731	\$161,867	\$3,897	\$ 635,508
% of Total	62.85%	2.46%	2.96%	0.65%	1.10%	1.26%	2.63%	25.47%	0.61%	100.00%
% of Change	-2.56%	-14.33%	15.91%	6.35%	-18.72%	8.62%	16.03%	-4.05%	11.34%	-2.36%
1981	\$500,808	\$13,190	\$20,522	\$ 4,629	\$ 5,022	\$ 9,994	\$20,158	\$173,805	\$4,156	\$ 752,284
% of Total	66.57%	1.75%	2.73%	0.62%	0.67%	1.33%	2.68%	23.10%	0.55%	100.00%
% of Change	25.38%	-15.52%	8.99%	11.43%	-28.10%	24.69%	20.48%	7.38%	6.65%	18.38%
1982	\$419,107	\$ 5,736	\$21,740	\$ 6,541	\$24,823	\$11,505	\$21,033	\$192,649	\$4,341	\$ 707,475
% of Total	59.24%	0.81%	3.07%	0.92%	3.51%	1.63%	2.97%	27.23%	0.61%	100.00%
% of Change	-16.31%	-56.51%	5.94%	41.30%	394.29%	15.12%	4.34%	10.84%	4.45%	-5.96%
1983	\$382,322	\$ 8,149	\$32,334	\$ 9,601	\$25,899	\$ 4,688	\$26,065	\$236,771	\$4,621	\$ 730,450
% of Total	52.34%	1.12%	4.43%	1.31%	3.55%	0.64%	3.57%	32.41%	0.63%	100.00%
% of Change	-8.78%	42.07%	48.73%	46.78%	4.33%	-59.25%	25.91%	22.90%	6.45%	3.25%
1984	\$305,882	\$ 9,511	\$19,494	\$10,170	\$25,906	\$13,375	\$23,395	\$267,406	\$4,870	\$ 680,009
% of Total	44.98%	1.40%	2.87%	1.50%	3.81%	1.97%	3.44%	39.32%	0.72%	100.00%
% of Change	-19.99%	16.71%	-39.71%	5.93%	0.03%	185.30%	-10.24%	12.94%	5.39%	-6.91%
1985	\$338,022	\$ 9,356	\$43,702	\$12,062	\$29,170	\$16,127	\$25,628	\$299,555	\$5,124	\$ 778,746
% of Total	43.41%	1.20%	5.61%	1.55%	3.75%	2.07%	3.29%	38.47%	0.66%	100.00%
% of Change	10.51%	-1.63%	124.18%	18.06%	12.60%	20.58%	9.54%	12.02%	5.22%	14.52%
1986	\$319,823	\$30,876	\$36,360	\$17,817	\$33,931	\$21,324	\$35,672	\$307,425	\$5,423	\$ 808,651
% of Total	39.55%	3.82%	4.50%	2.20%	4.20%	2.64%	4.41%	38.02%	0.67%	100.00%
% of Change	-5.38%	230.01%	-16.80%	47.71%	16.32%	32.23%	39.19%	2.63%	5.84%	3.84%
1987	\$357,558	\$42,321	\$41,110	\$18,592	\$36,878	\$20,215	\$33,621	\$358,896	\$5,522	\$ 914,713
% of Total	39.09%	4.63%	4.49%	2.03%	4.03%	2.21%	3.68%	39.24%	0.60%	100.00%
% of Change	11.80%	37.07%	13.06%	4.35%	8.69%	-5.20%	-5.75%	16.74%	1.83%	13.12%
1988	\$499,607	\$42,933	\$45,969	\$19,990	\$40,559	\$22,870	\$42,253	\$382,746	\$5,819	\$1,102,746
% of Total	45.31%	3.89%	4.17%	1.81%	3.68%	2.07%	3.83%	34.71%	0.53%	100.00%
% of Change	39.73%	1.45%	11.82%	7.52%	9.98%	13.13%	25.67%	6.65%	5.38%	20.56%

Note (a). Includes only revenues pertaining to General Funds.

Note (b). Other financing sources (e.g. Bond proceeds and Operating transfers in) have been excluded from all years.

Note (c). Excise collections consist of Motor Vehicle, Hotel/Motel and Aircraft Fuel excise receipts. Prior to fiscal year 1986, only Motor Vehicle Excises were collected.

**Table 3**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PROPERTY TAX, LEVIES AND COLLECTION**  
**Last Ten Years**  
**(\$ in millions)**

Fiscal Year	Tax Levy			Tax Levy Collected Within Year of Levy			Tax Levy Net of Refunds Collected as of June 1, 1988			All Taxes Collected in Fiscal Year
	Gross(1)	Net	Net % Gross	Gross Amount	% Gross Levy	% Net Levy	Net Amount	% Gross Levy	% Net Levy	Net Amount
1979	\$436.3	\$411.6	94.3%	\$391.5	89.7%	95.1%	\$374.5	85.9%	91.0%	\$384.0
1980	439.5	414.7	94.3%	397.2	90.4%	95.8%	386.2	87.9%	93.2%	387.5
1981	518.7	494.0	95.2%	472.3	91.0%	95.5%	451.8	87.1%	91.5%	459.6
1982	440.7	416.6	94.5%	410.1	93.1%	98.4%	396.2	89.9%	95.1%	381.1
1983	374.6	354.4	94.6%	161.7	43.2%	45.6%(4)	333.6	89.0%	94.1%	130.3
1984	334.0	313.1	93.7%	311.0	93.1%	99.3%	299.8	89.7%	95.7%	408.1(3)
1985	363.9	345.6	95.0%	340.6	93.6%	98.5%	332.7	91.4%	96.2%	306.7
1986	394.6	370.0	93.8%	376.0	95.3%	101.6%	371.2	94.1%	100.3%	180.6
1987	422.5	394.6	94.1%	407.1	96.4%	102.4%	403.8	95.6%	102.0%	590.0(2)
1988	451.9	425.0	94.0%	422.4	93.5%	99.4%	421.6	93.3%	99.2%	419.6

(1) Includes omitted assessments assessed in all fiscal years except 1986 and 1988.

(2) Includes amounts collected on account of the fiscal 1986 levy. Final tax bills for fiscal 1986 were not mailed until after the last day of the fiscal 1986 due to delayed certification of revalued property assessments.

(3) Includes amounts collected on account of the fiscal 1983 levy. See footnote 4 to this table.

(4) The relatively low percentage of the fiscal 1983 levy collected within fiscal 1983 reflects the fact that the final bills were not mailed until the last day of fiscal 1983 due to delayed certification of revalued property assessments.

Source: City of Boston Treasury Department.

**Table 4**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**ASSESSED MARKET VALUE OF ALL TAXABLE PROPERTY**  
**Last Ten Years**

Fiscal Year	Real Property		Personal Property		Total		Population
	Assessed Value	Per Capita	Assessed Value	Per Capita	Assessed Value	Per Capita	
<b>1979</b>	\$ 1,481,346,400	\$ 2,631	\$ 243,653,600	\$ 433	\$ 1,725,000,000	\$ 3,064	562,994
<b>1980</b>	1,494,316,500	2,654	243,683,500	433	1,738,000,000	3,087	562,994
<b>1981</b>	1,636,587,000	2,907	265,413,000	471	1,902,000,000	3,378	562,994
<b>1982</b>	1,635,769,200	2,917	272,932,300	487	1,908,701,500	3,403	560,847
<b>1983</b>	10,089,026,535	17,989	1,695,417,721	3,023	11,784,444,256	21,012	560,847
<b>1984</b>	11,202,181,007	19,628	1,821,847,318	3,192	13,024,028,325	22,820	570,719
<b>1985</b>	13,218,885,271	23,162	1,577,990,719	2,765	14,796,875,990	25,927	570,719
<b>1986</b>	17,991,130,089	31,365	1,681,352,676	2,931	19,672,482,765	34,297	573,600
<b>1987</b>	21,775,401,986	37,963	1,734,251,712	3,023	23,509,653,698	40,986	573,600
<b>1988</b>	26,264,874,473	45,790	1,746,614,718	3,045	28,011,489,191	48,835	573,600

\*Massachusetts communities are required to assess real and personal property taxes on the "full and fair cash value" as certified by the Mass. Department of Revenue. This value, which approximates the estimated sales value previously calculated independently by the Boston Redevelopment Authority, is now calculated by the City's Assessing Department by each January 1st every three years.

Source: City of Boston Assessing Department

Exempt properties are not included.



**Table 5**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**PROPERTY TAX RATES**  
**All Overlapping Governments**  
**Last Ten Years**

Fiscal Year	School	General	Total
<b>1979</b>	\$73.64	\$179.26	\$252.90
<b>1980</b>	74.38	178.52	252.90
<b>1981</b>	76.37	196.33	272.70
<b>1982</b>	90.80	140.10	230.90
<b>1983*</b>			
Residential	9.23	12.24	21.47
C.I.P.	17.33	22.97	40.30
<b>1984</b>			
Residential	6.91	10.19	17.10
C.I.P.	13.15	19.39	32.54
<b>1985</b>			
Residential	7.21	9.21	16.42
C.I.P.	13.77	17.59	31.36
<b>1986</b>			
Residential	6.39	7.07	13.46
C.I.P.	12.28	13.57	25.85
<b>1987</b>			
Residential	5.87	6.15	12.02
C.I.P.	11.49	12.06	23.55
<b>1988</b>			
Residential	5.87	4.90	10.77
C.I.P.	11.80	9.86	21.66

\*Property classification was implemented in fiscal year 1983, prior to fiscal year 1983 class data was not reported.

C.I.P. = Commercial, Industrial, Personal Property.

Source: City of Boston Assessing Department.

**Table 6**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE**  
**AND**  
**NET BONDED DEBT PER CAPITA**  
**last ten years**

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less: Self-supporting Debt	Less: Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Value Assessed	Net Bonded Debt Per Capita
1979	562,994	\$ 1,725,000,000	\$527,288,500	\$22,383,500	\$ 46,825,321	\$458,079,679	26.6%	\$813.6
1980	562,994	1,738,000,000	542,303,500	21,248,500	42,528,607	478,526,393	27.5%	850.0
1981	562,994	1,902,000,000	498,003,500	19,888,500	41,995,000	436,120,000	22.9%	774.6
1982	560,847	1,908,701,500	455,533,500	10,306,935	41,915,000	403,311,565	21.1%	719.1
1983	560,847	11,784,444,256	459,138,500	62,168,500	80,135,000	316,835,000	2.7%	564.9
1984	570,719	13,024,028,325	503,793,500	60,288,500	19,647,000	423,858,000	3.3%	742.7
1985	570,719	14,796,875,990	530,778,356	59,208,500	24,549,000	447,020,856	3.0%	783.3
1986	573,600	19,672,482,765	548,748,356	55,353,500	34,739,000	458,655,856	2.3%	799.6
1987	573,600	23,509,653,698	510,833,356	51,353,500	105,610,000	353,869,856	1.5%	616.9
1988	573,600	28,011,489,191	455,578,500	46,248,500	114,709,000	294,621,000	1.1%	513.6

**Table 7**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**June 30, 1988**

Equalized Valuation as of January 1, 1986 for use in fiscal 1988 and fiscal 1989 .....	\$22,763,118,000(1)	
	2.5%	5.0%
Maximum debt limits. ....	\$569,077,950	\$1,138,155,900
Debt outstanding June 30, 1987 .....	\$130,314,294	
Loans authorized but unissued June 30, 1987 .....	\$152,700,000	
	283,014,294	283,014,294
Available Debt incurring capacity July 1, 1987 .....	286,063,656	855,141,606
Add: Sinking Fund surplus for debt retirement. ....	63,089	63,089
Add: Debt redeemed July 1, 1987 to June 30, 1988 .....	17,039,629	17,039,629
Less: City Council authorizations for fiscal 1988 .....	70,875,000	70,875,000
Debt Margin .....	\$232,291,374	\$801,369,324

Note (1). The laws of the Commonwealth provide for general debt limit for the City consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5% of the valuation of taxable property in the City as last equalized by the State Department of Revenue. The City may authorize debt up to this limit without State approval, and may also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

**Table 8**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT**  
**TO GROSS GOVERNMENTAL OPERATING EXPENDITURES**  
**Last Ten Years**  
**(thousands of \$)**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Expenditures
1979	\$38,295	\$32,970	\$71,265	\$559,191	12.7%
1980	39,985	34,468	74,453	656,602	11.3%
1981	44,300	32,495	76,795	620,337	12.4%
1982	43,736	30,652	74,388	567,283	13.1%
1983	45,521	29,775	75,296	676,982	11.1%
1984	42,556	28,299	70,855	668,391	10.6%
1985	45,116	31,162	76,278	708,647	10.8%
1986	47,072	35,799	82,871	721,393	11.5%
1987	48,624	37,357	85,981	818,984	10.5%
1988	50,702	35,035	85,737	933,959	9.2%

**Table 9**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**INDIRECT DEBT**  
**Year ended June 30, 1988**

Name of Related Entity	Outstanding Debt	Boston Share (Note C)		
		Percent	Amount	Total
DIRECT Debt (A):				
Principal Amount . . . . .	\$455,578,500			<u>\$455,578,500</u>
Total DIRECT Debt . . . . .	—	—	—	455,578,500
INDIRECT Debt (B):				
M.B.T.A. . . . .	150,140,000	42.08%	63,178,912	63,178,912
Commonwealth — Park . . . . .	70,262,194	19.20%	13,490,341	<u>13,490,341</u>
Total INDIRECT Debt . . . . .	—	—	—	<u>76,669,253</u>
Total DIRECT and INDIRECT Debt . . . . .	—	—	—	<u>\$532,247,753</u>

Note (A). Approximately \$126.8 million of the City's direct debt is deemed payable from State reimbursements, Sinking Funds, and contributions by the Water and Sewer Commission.

Note (B). Not recorded on the books of the City of Boston; obtained from the M.B.T.A. — Treasurer/Controller and the Metropolitan Parks District — Treasurer.

Note (C). Annual installments are included in M.B.T.A. and M.D.C. assessments payable from General Revenue.



**Table 10**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**LARGEST TAXPAYERS: CITY OF BOSTON (1)**  
**(in thousands)**

	Personal Property	Real Property	Total Assessed Value	Fiscal 1988 Taxes
John Hancock Mutual Life Insurance . . . . .		\$628,413	\$628,413	\$13,611
Prudential Insurance Company of America (2) . . . . .		667,000	667,000	12,185
Boston Edison Company . . . . .	\$765,000	473,590	1,238,590	10,258
Equitable Federal Street Realty Company . . . . .		345,552	345,552	7,485
Bertram A. Druker Trust . . . . .		296,374	296,374	6,115
Massachusetts Port Authority (3) . . . . .		122,641	122,641	5,819
David W. Dailey Trust . . . . .		260,546	260,546	5,634
UIDC of Mass., Inc. . . . .		243,482	243,482	5,274
Olympia & York St Co. . . . .		239,100	239,100	5,179
Equitable Life Assurance Co. . . . .		234,064	234,064	5,070
Bostrose Associates . . . . .		226,084	226,084	4,897
Post Office Square Co. . . . .		189,043	189,043	4,095
Hexalon Real Estate, Inc. . . . .		178,783	178,783	3,872
David Rose . . . . .		173,780	173,780	3,764
Federal Reserve Bank of Boston . . . . .		170,677	170,677	3,697
Fort Hill Associates . . . . .		146,293	146,293	3,169
Center Plaza Associates . . . . .		137,890	137,890	2,987
Faneuil Hall Market Lessee . . . . .		131,675	131,675	2,852
28 State Street Associates . . . . .		112,942	112,942	2,446
75 Federal Street Associates . . . . .		108,320	108,320	2,345
Lawrence Ruben Trust (4) . . . . .		144,941	144,941	2,281
Rowe's Wharf Associates . . . . .		112,066	112,066	1,939
New England Telephone Co. . . . .	156,153	88,541	244,694	1,918
Medical Area Total Energy Plant (5) . . . . .		44,000	44,000	1,869
Marriott Urban Lessee . . . . .		86,008	86,008	1,863

(1) Includes all major parcels.

(2) Includes \$11.8 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the General Laws.

(3) This payment is an in-lieu-of tax payment, expressly permitted by statute, paid pursuant to a contract with the City which requires payments in each of the past seven years; this contract has been annually reviewed and extended for the past eight years.

(4) Includes \$1.7 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the General Laws.

(5) Includes \$1.7 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the General Laws.

Source(s): City of Boston Assessing and Treasury Departments.

**Table 11**  
**INDUSTRY EMPLOYMENT TRENDS AND PROJECTIONS IN THE CITY OF BOSTON**  
**SELECTED FISCAL YEARS**

INDUSTRY	1980	1987	1988	% Change 1987-1988	1990	1995	2000	% Change 1988-2000
Fishing, Mining .....	908	1,450	1,464	1.0%	1,300	1,300	1,300	-11.2%
Construction.....	11,443	15,828	15,486	-2.2%	14,500	15,100	15,400	-0.6%
Manufacturing .....	52,337	37,295	36,162	-3.0%	41,700	41,000	40,300	11.4%
Transportation/ Communication/ Utilities .....	37,496	35,648	37,504	5.2%	37,300	39,000	40,500	8.0%
Retail and Wholesale Trade .....	87,036	89,308	87,807	-1.7%	93,500	96,500	98,900	12.6%
Finance/Insurance/ Real Estate .....	73,782	94,036	97,546	3.7%	93,900	100,900	108,100	10.8%
Services.....	200,650	243,728	261,095	7.1%	266,700	302,000	336,100	28.7%
Government .....	97,321	103,045	107,580	4.4%	102,100	104,200	105,400	-2.0%
Total .....	560,973	620,338	644,644	3.9%	651,000	700,000	746,000	15.7%

1988 City Population: 573,600

1988 Ratio of Jobs to Population: 1.12

Source: Boston Redevelopment Authority. 1988 is based on 3 months of data compared to that of the previous year.

**Table 12**  
**UNEMPLOYMENT RATES**

	1980	1981	1982	1983	1984	1985	1986	1987	October	
									1987	1988
City.....	6.1%	7.0%	9.1%	7.8%	5.5%	4.6%	4.4%	3.2%	2.9%	3.1%
Boston PMSA (1)	5.0	5.7	6.7	5.8	4.1	3.4	3.8	2.7	2.3	2.5
Massachusetts.....	5.6	6.4	7.9	6.9	4.8	3.9	3.8	3.2	2.7	2.8
United States .....	7.1	7.6	9.7	9.6	7.1	7.2	7.0	6.2	5.7	5.0

(1) Primary Metropolitan Statistical Area — includes 106 cities and towns.

Sources: U.S. Bureau of Labor Statistics; Massachusetts Division of Employment Security.

**Table 13**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**BOSTON DEVELOPMENT SUMMARY (1)**  
**(in thousands of \$ constant value at 1986 prices)**

Year	Office	Retail	Medical	Educational Recreational and Cultural	Parking and Transportation	Industrial	Hotel Exhibition and Convention	Residential	Total
1979 .....	\$ 38,367	\$ 5,099	—	\$ 36,273	—	\$ 7,699	\$ 11,800	\$ 90,581	\$ 189,819
1980 .....	20,159	5,477	\$ 93,525	24,450	—	7,242	—	55,076	205,929
1981 .....	208,563	9,709	30,453	48,115	—	497,916	38,979	51,545	885,280
1982 .....	122,592	18,652	83,014	10,764	\$ 10,534	33,827	108,433	132,742	520,558
1983 .....	33,382	16,600	79,402	51,207	59,510	66,540	150,373	136,651	593,665
1984 .....	608,083	125,535	62,888	35,690	60,637	40,242	152,354	65,935	1,151,364
1985 .....	178,041	24,826	38,895	18,937	8,335	33,494	120,666	61,555	484,749
1986 .....	279,248	32,523	2,000	21,840	89,266	5,940	73,380	177,143	681,340
1987 .....	416,238	32,504	125,061	50,796	45,929	15,043	30,500	231,835	947,906
1988* .....	523,956	43,772	50,300	58,830	80,065	79,600	100,000	305,113	1,241,636
	\$2,428,629	\$ 314,697	\$ 565,538	\$ 356,902	\$ 354,276	\$ 787,543	\$ 786,485	\$1,308,176	\$6,902,246

(1) Private investment (actual or scheduled), by year of completion, measured in terms of construction cost (excluding land acquisition, financing and development costs, which would increase the cost by an additional 50%).

\* Projected.

Source: Boston Redevelopment Authority.

**Table 14**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**COMPARATIVE CITIES DOWNTOWN CLASS A OFFICE MARKETS**  
**Vacancy Rates, Average Rents, Total Inventory, and Vacant Space**  
**Spring, 1988**  
**(12 Largest Office Markets, ranked by vacancy rate)**

Downtown	Vacancy Rate	Av. Rent \$/s.f.	Total Space (million s.f.)	Vacant Space (million s.f.)
Washington .....	9.3%	\$28.00	64	6.0
New York .....	10.7%	41.26	143	15.3
Boston .....	10.9%	34.00	35	3.8
Philadelphia .....	13.2%	23.00	36	4.8
Chicago .....	14.1%	29.81	112	15.8
Pittsburgh .....	14.5%	21.18	35	5.1
Los Angeles .....	15.5%	29.00	25	3.9
San Francisco .....	17.3%	23.70	38	6.6
Atlanta .....	17.9%	21.66	28	5.0
Houston .....	23.9%	12.00	36	8.6
Dallas .....	28.4%	20.94	30	8.5
Denver .....	30.7%	12.00	25	7.7

Source: The Office Network, International Office Market Report, Fall/Winter 1988.

**Table 15**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**SCHEDULE OF TREASURER'S CASH AND INVESTMENTS**  
**Year ended June 30, 1988**

Financial Institution	Demand Deposits	Money Market Accounts	Certificates of Deposit	U.S. Treasury Bills	Repurchase Agreements	Totals
Bank of Boston . . . . .	\$1,154,891				\$20,500,000	\$ 21,654,891
Bank of Commerce . . . . .			\$ 1,500,000			1,500,000
Bank of New England . . . . .	205,116	\$ 65,264,091			7,600,000	73,069,207
Boston Bank of Commerce . . . . .	100,000					100,000
Boston Five Cents Savings . . . . .			15,000,000			15,000,000
Boston Private Bank & Trust Co. . . . .			3,000,000			3,000,000
Boston Safe Deposit & Trust . . . . .	100,000	50,000,000				50,100,000
Boston Trade Bank . . . . .			11,000,000			11,000,000
Central Coop. Bank . . . . .			11,000,000			11,000,000
Century Bank . . . . .			9,000,000			9,000,000
Citibank, New York . . . . .	25,000					25,000
Eliot Bank . . . . .			1,000,000			1,000,000
MMDT . . . . .		40,000,000				40,000,000
Massachusetts Company . . . . .			15,000,000			15,000,000
Mt. Washington . . . . .			1,000,000			1,000,000
Newworld Bank . . . . .			13,000,000			13,000,000
Olympic Bank . . . . .			10,000,000			10,000,000
Provident Inst. for Savings . . . . .			200,000			200,000
Shawmut Bank of Boston, N.A. . . . .	124,393			\$40,037,605	13,198,000	53,359,999
Somerset Bank . . . . .			5,000,000			5,000,000
South Boston Savings Bank . . . . .			20,000,000			20,000,000
State Street Bank and Trust . . . . .	887,244					887,244
U.S. Trust Company . . . . .	726,454					726,454
	\$3,323,098	\$155,264,091	\$115,700,000	\$40,037,605	\$41,298,000	\$355,622,795



**Table 16**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**Year ended June 30, 1988**

Treasurer's Cash	General Fund	Special Revenue Fund	Dept Service Fund	Capital Projects Fund	Totals
Cash balance June 30, 1987 .....	\$ 266,816,736	\$ 6,387,734	\$ 38,263,737	\$145,752,293	\$ 457,220,500
Receipts .....	1,649,549,049	27,713,676	9,463,619	14,087,971	1,700,814,315
Disbursements .....	1,676,693,616	31,876,136	7,689,750	86,152,518	1,802,412,020
Cash balance June 30, 1988 .....	\$ 239,672,169	\$ 2,225,274	\$ 40,037,606	\$ 73,687,746	\$ 355,622,795
Component Units Note 3					
State-Boston Retirement System "SBRS" .....					\$115,837,374
Boston Redevelopment Authority "BRA" .....					29,849,866
Trustees of Health and Hospitals "THH" .....					7,337,291
Economic Development and Industrial Corporation of Boston "EDIC" .....					1,221,948
Trust and Agency Funds .....					37,092,999
GAAP and Other Adjustments .....					22,366,727
Total Cash and Cash Equivalents .....					<u>\$569,329,000</u>

Note (3). See the definition of the "Reporting Entity" within Notes 1 and 3 of the Combined Financial Statements.

**Table 17**  
**SCHEDULE OF CASH AND INVESTMENTS BY FUND**  
**June 30, 1988**

Fund Types:		
General fund		
Cash in Bank .....	\$ 2,830,136	
Investments .....	222,077,944	
		<u>\$224,908,080</u>
Special Revenue		
Cash in Bank .....	\$ 94,217	
Investments .....	16,895,148	
		<u>\$ 16,989,365</u>
Capital Projects		
Cash in Bank .....	\$ 398,745	
Investments .....	73,289,000	
		<u>\$ 73,687,745</u>
Debt Service		
Cash in Bank .....	—	
Investments .....	\$ 40,037,606	
		<u>\$ 40,037,606</u>
Total cash and investments .....		<u><u>\$335,622,795</u></u>

**Table 18**  
**STATE-BOSTON RETIREMENT SYSTEM**  
**Required Supplementary Information**  
**Revenues by Source and Expenses by Type**  
**(in thousands)**  
**(unaudited)**

Revenues by Source					
Year Ended June 30 (1)	Employee Contributions	Employer Contributions	Investment Income	Other Income	Total
1988 .....	\$39,197	\$132,302	\$(6,495)	\$12,863	\$177,867
1987 .....	34,961	122,742	55,593	27,628	240,924
1986 .....	31,017	116,069	134,065	1,233	282,384
1985 .....	28,461	123,466	93,867	6,029	251,823
1984 .....	25,529	113,443	2,893	4,925	146,790
1983 .....	26,130	89,163	80,359	5,119	200,771
1982 .....	24,566	88,777	28,319	77	141,739
1981 .....	22,213	86,492	23,369	256	132,330
1980 .....	22,639	78,652	5,158	76	106,525
1979 .....	21,751	70,683	22,467	64	114,965

Expenses by Type					
Year Ended June 30 (1)	Benefits	Administrative Expenses	Refunds	Other Expenses	Total
1988 .....	\$140,277	\$3,133	\$5,670	\$7,856	\$156,936
1987 .....	133,859	1,286	11,634	3,224	150,003
1986 .....	127,096	1,298	8,766	1,704	138,864
1985 .....	119,603	1,376	8,830	2,596	132,405
1984 .....	114,598	1,657	6,661	8,790	131,706
1983 .....	114,782	1,382	8,860	727	125,751
1982 .....	99,344	1,294	15,738	11,584	141,960
1981 .....	96,972	1,012	12,957	4,756	115,697
1980 .....	86,212	683	6,470	2,504	95,869
1979 .....	78,770	638	6,554	2,951	88,913

(1) Except for 1981, 1980, and 1979 which are as of December 31.

**Table 19**  
**FIVE-YEAR CAPITAL PLAN EXPENDITURES**  
**BY DEPARTMENT**  
**(thousands of \$)**

City Share of Project Cost								
Department	Total	Expended to Date	Fiscal 1988	Fiscal 89-92	Long Range	Other Funding Sources	Total Project Cost	Percent of Total
Police .....	\$ 29.6	\$2.9	\$5.6	\$20.8	\$0.3	\$0.0	\$29.6	3.2%
Fire .....	21.4	3.3	2.3	9.4	6.4	5.1	26.5	2.9%
Health and Hospitals .....	49.8	3.8	3.9	28.2	13.9	115.0	164.8	17.9%
Schools .....	146.8	7.7	15.6	108.5	15.0	0.0	146.8	15.9%
Parks, Cem., Rec. ....	72.0	5.6	11.4	35.8	19.2	5.7	77.7	8.4%
Community Schools .....	20.1	1.8	7.8	10.5	0.0	1.5	21.6	2.3%
Library .....	34.9	1.8	1.8	22.4	8.9	4.3	39.2	4.3%
Public Ways .....	180.5	12.0	20.3	136.4	11.8	82.3	262.8	28.5%
Transportation .....	3.5	0.5	0.8	1.8	0.4	2.5	6.0	0.7%
PFD Development .....	8.0	0.1	1.4	5.7	0.8	0.0	8.0	0.9%
BRA .....	36.2	6.0	5.4	22.3	2.5	28.3	64.5	7.0%
EDIC .....	4.1	1.7	1.1	1.2	0.1	2.0	6.1	0.7%
Municipal Buildings .....	44.8	1.6	4.0	35.9	3.3	9.2	54.0	5.9%
Courts/Corrections .....	12.9	2.3	2.6	7.6	0.4	0.0	12.9	1.4%
<b>Total .....</b>	<b>\$664.6</b>	<b>\$51.1</b>	<b>\$84.0</b>	<b>\$446.5</b>	<b>\$83.0</b>	<b>\$255.9</b>	<b>\$920.5</b>	<b>100.0%</b>

Source: Mayor's Office of Capital Planning.

\*Rebuilding Boston: A Five-Year Capital Plan, Fiscal Years 1988-92, September, 1987.

**Table 20**  
**CITY OF BOSTON**  
**MISCELLANEOUS STATISTICS**  
**JUNE 30, 1988**

Date of Incorporation . . . . .	1822
Form of Government . . . . .	Mayor/City Council
Area in acres . . . . .	30,598
City of Boston Facilities and Services:	
Miles of streets . . . . .	780
Number of street lights . . . . .	60,000
Culture and Recreation:	
Community Centers . . . . .	55
Parks and Playgrounds . . . . .	185
Park acreage . . . . .	2,200
Golf courses . . . . .	4
Swimming pools . . . . .	16
Tennis courts (City-owned) . . . . .	3
Fire Protection:	
Number of stations . . . . .	34
Personnel and Officers . . . . .	1,799
Calls answered (1987) . . . . .	50,870
Inspections conducted . . . . .	41,719
Police Protection:	
Number of stations . . . . .	11
Personnel and Officers . . . . .	approx. 2,640
Law violations:	
Physical arrests . . . . .	33,086
Traffic violations . . . . .	176,498
Parking violations . . . . .	1,985,968
Education:	
Elementary schools . . . . .	82
Elementary instructors . . . . .	3,282
Secondary schools . . . . .	36
Secondary instructors . . . . .	3,601
Community colleges . . . . .	15
State colleges . . . . .	9
Universities . . . . .	3
Hospitals (1987 figures):	
Number of hospitals . . . . .	30
Number of patient beds . . . . .	8,858
Libraries:	
Personnel . . . . .	589
Central and branch libraries . . . . .	28
Books in circulation . . . . .	2,195,836
Periodicals in circulation . . . . .	85,232
Films and records . . . . .	21,613
Library cards in force . . . . .	423,055



**TABLE 21**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**NUMBER OF CITY AND COUNTY EMPLOYEES BY DEPARTMENT**  
**Last Five Years**

	Feb. 1 1984	Feb. 1 1985	Feb. 1 1986	Feb. 1 1987	Feb. 1 1988
Mayor's Office . . . . .	88	12	22	25	25
Arts & Humanities . . . . .	—	—	—	—	5
Board of Rent Appeal . . . . .	12	—	—	4	—
Rent Equity Board . . . . .	—	—	—	50	47
Rent Control Adm. . . . .	—	29	—	—	—
Commission on Affairs of the Elderly . . . . .	196	93	82	80	88
Commission on the Handicapped . . . . .	3	4	3	3	5
Neighborhood Services . . . . .	—	—	—	41	44
Conservation Commission . . . . .	15	—	—	—	—
Human Rights . . . . .	—	—	—	4	3
E.D.I.C. . . . .	10	6	5	—	—
Office of Fiscal Affairs . . . . .	13	6	—	—	—
Office of Community Transportation . . . . .	—	—	—	11	—
Community Services Administration . . . . .	12	5	7	—	—
Office of Constituent Services . . . . .	—	—	15	—	—
Mayor's Press Office . . . . .	—	—	—	4	6
Business and Cultural Development . . . . .	—	13	12	15	16
Capital Planning . . . . .	—	—	3	6	10
Consumers Affairs . . . . .	—	14	9	15	18
Women's Commission . . . . .	—	—	2	2	2
Mayor's Office Licensing . . . . .	—	1	2	—	—
Office of Property Equalization . . . . .	136	—	—	—	—
Office of Public Information . . . . .	—	1	4	—	—
Office of Community Participation . . . . .	—	22	8	—	—
Office of Policy Management/Cable . . . . .	—	3	2	12	—
Emergency Shelters Commission . . . . .	—	14	14	14	14
City Council . . . . .	9	14	14	14	14
City Council Officers and Employees . . . . .	36	47	54	50	54
Administrative Services Department:					
Administrative Division . . . . .	17	17	16	—	—
Personnel and Budget Division . . . . .	65	—	—	—	—
Cable Comm. . . . .	—	24	23	10	10
Personnel . . . . .	—	35	34	41	46
Purchasing Division . . . . .	23	26	24	28	31
Printing Section . . . . .	61	70	58	54	56
Data Processing . . . . .	69	72	71	82	94
Health Insurance Unit . . . . .	17	19	19	16	19
Labor Relations . . . . .	10	9	8	9	7
Program and Evaluation . . . . .	19	24	—	47	46
Trust Office . . . . .	—	—	—	3	—
Adm. Contract Mgt. . . . .	—	—	—	—	5
Assessing Department . . . . .	78	197	186	165	166
Auditing Department . . . . .	41	53	43	46	49
Boston Retirement Board . . . . .	42	48	38	40	40
Boston Retirement Board Members . . . . .	1	1	1	1	1
Boston Traffic Department . . . . .	248	261	241	324	383
Parking Clerk . . . . .	37	48	52	50	52
Building Department:					
Board of Appeals . . . . .	96	—	—	—	—
Board of Examiners . . . . .	12	—	—	—	—
City Clerk Department . . . . .	5	—	—	—	—
Registry Division . . . . .	11	14	11	14	15
City Record, Publication of . . . . .	25	22	19	29	28
Community Schools Administration . . . . .	2	2	—	—	—
Election Department . . . . .	146	167	131	230	353
Listing Board . . . . .	40	55	50	50	53
Finance Commission . . . . .	6	18	135	238	130
Fire Department . . . . .	3	4	4	4	4
Hospital Department:	1,707	1,715	1,725	1,790	1844
Hospital Division . . . . .	—	3,122	3,116	3,085	3060
Sanatorium Division . . . . .	4,039	364	404	369	363
Long Island Hospital Division . . . . .	—	487	401	405	413
Housing Inspection Department:					
Inspectional Services . . . . .	250	275	227	275	281
Weights and Measures Division . . . . .	15	—	—	—	—
Law Department . . . . .	59	63	58	55	50
Workmen's Compensation Service . . . . .	12	10	10	11	11
Library Department . . . . .	625	629	660	653	673
Licensing Board . . . . .	14	14	13	12	13
Parks and Recreation Department . . . . .	229	262	255	188	242
Cemetery Division . . . . .	32	38	33	28	40
Police Department . . . . .	2,262	2,453	2,388	2,461	2,723
Public Facilities Department . . . . .	216	235	225	287	309
Public Works Department:					
Central Office . . . . .	—	—	—	—	28
Incinerator . . . . .	30	91	92	6	6
Automotive Division . . . . .	58	—	—	—	—
Bridge Service . . . . .	48	41	41	—	33
Highway Service . . . . .	361	231	213	325	209
Engineering . . . . .	90	25	24	98	96
Sewer Service . . . . .	—	—	—	—	—
Frontage Rd. . . . .	—	—	—	182	238
Real Property Department:					
Real Property Division . . . . .	22	168	117	112	123
Buildings Division . . . . .	91	—	—	20	—
County . . . . .	—	—	—	—	19
Real Property — Property . . . . .	—	21	15	16	18
Environmental Division . . . . .	—	13	15	15	14
Public Improvements . . . . .	—	6	—	—	—
Fair Housing . . . . .	—	7	8	7	7
School Buildings Department . . . . .	52	—	—	—	—
School Department . . . . .	7,748	8,127	8,323	8,534	8689
Treasury:					
Collecting Division . . . . .	34	30	26	33	37
Treasury Division . . . . .	25	25	30	29	33
Veterans' Services Department . . . . .	28	27	23	23	22
Veterans' Graves Registration . . . . .	3	3	3	3	3
Total — County of Suffolk . . . . .	627	626	622	664	710
Total . . . . .	19,971	20,761	20,687	21,495	22,242

As Required Under the Provisions of Chapter 486, Section 27, of the Acts of 1909 as Amended (City Charter).

# DIRECT DEBT OUTSTANDING

## year ended June 30, 1988

	Outstanding June, 1987		Payments — Fiscal 1988		Outstanding June 30, 1988	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>GENERAL PURPOSE</b>						
Auditorium .....	\$1,320,000	\$159,218	\$185,000	\$ 39,687	\$ 1,135,000	\$ 119,531
Acq. of land, parks & playgrounds .....	3,975,000	2,126,664	295,000	257,700	3,680,000	1,868,964
Automatic traffic control signals .....	720,000	435,577	65,000	52,495	655,000	383,082
Departmental equipment .....	13,062,391	4,454,396	2,020,637	996,105	11,041,754	3,458,291
New city hall .....	7,430,000	1,578,536	785,000	299,781	6,645,000	1,278,755
E.D.I.C. ....	9,896,540	6,480,264	392,723	739,888	9,503,816	5,740,376
Remodeling and extra repairs .....	43,490,924	27,762,161	3,271,410	3,525,456	40,219,513	24,236,705
Total "General Purpose" .....	79,894,856	42,996,821	7,014,770	5,911,114	72,880,085	37,085,706
<b>SCHOOL BUILDINGS:</b>						
Capital improvements, act of 1966 .....	7,505,000	2,093,549	1,045,000	420,450	6,460,000	1,673,099
Capital improvements, act of 1973 .....	13,075,326	8,647,230	611,385	1,008,651	12,463,940	7,638,579
Constr. of bldgs.; acq. of land .....	110,000	2,338	110,000	2,237	0	1
School project loan, act of 1948 .....	124,098,125	46,607,314	14,459,638	8,836,570	109,638,486	37,770,744
Total "School Buildings" .....	144,788,451	57,350,431	16,226,024	10,268,008	128,562,427	47,082,423
<b>OTHER PUBLIC BUILDINGS:</b>						
Capital improvements, act of 1966 .....	27,590,000	6,460,774	4,320,000	1,638,547	23,270,000	4,822,227
Capital improvements, act of 1973 .....	39,674,506	24,692,817	2,076,088	2,895,072	37,598,417	21,797,744
Constr. of bldgs.; acq. of land .....	22,443,552	12,124,649	3,642,961	2,110,016	18,800,591	10,014,633
Hospital Improve. loan, act of 1970 .....	3,750,000	596,250	750,000	198,750	3,000,000	397,500
Total "Other Public Buildings" .....	93,458,059	43,874,492	10,789,049	6,842,387	82,669,009	37,032,104
<b>PUBLIC WORKS:</b>						
Bridges .....	2,966,725	1,610,559	272,483	204,374	2,694,242	1,406,184
Public ways .....	26,592,569	13,628,757	5,710,363	2,734,106	20,882,205	10,894,650
Sidewalks .....	6,408,130	4,510,310	216,773	490,020	6,191,357	4,020,290
Street lighting .....	8,455,000	2,586,263	1,095,000	628,958	7,360,000	1,957,304
Total "Public Works" .....	44,422,426	22,335,890	7,294,621	4,057,459	37,127,805	18,278,430
<b>OTHER:</b>						
Urban redevl. and relocation .....	83,367,133	42,623,109	7,383,378	6,095,919	75,983,755	36,527,189
Parking Facilities .....	13,548,929	6,592,977	1,442,011	990,233	12,106,918	5,602,743
Water mains and meters .....	1,855,000	478,368	350,000	131,436	1,505,000	346,932
Sewerage loan .....	2,090,000	620,483	340,000	130,880	1,750,000	489,603
Funding loan — act of 1982 .....	39,800,000	12,478,750	4,300,000	3,389,750	35,500,000	9,089,000
Rapid Transit Debt .....	7,608,500	1,274,380	115,000	204,997	7,493,500	1,089,383
Total "Other" .....	148,269,562	64,068,069	13,930,389	10,943,216	134,339,173	53,124,852
Grand Total of All Categories .....	\$510,833,356	\$230,625,704	\$55,254,855	\$38,022,186	\$455,578,500	\$192,603,517

**Table 23**  
**ANALYSIS OF DEBT AUTHORIZED BUT UNISSUED**  
**Year ended June 30, 1988**

Balance, June 30, 1987 .....	\$229,040,000	
Add: City Council Authorizations (Note A) .....	79,960,000	
		\$309,000,000
Less: Bonds Issued .....	—	
Authorizations Rescinded (Note A) .....	\$(1,960,000)	
		(1,960,000)
Balance, June 30, 1988 .....		\$307,040,000

Note A. City Council Authorizations (Rescissions) as follows:

Purpose	Effective Date	Amount	Authorization
Remodeling & Extraordinary Repairs .....	1/21/88	\$22,980,000	C. 44, s. 7 (3a)
— includes: Schools			
Remodeling & Extraordinary Repairs .....	1/21/88	7,075,000	C. 44, s. 7 (3a)
— includes: Real Property			
Remodeling & Extraordinary Repairs .....	1/21/88	6,990,000	C. 44, s. 7 (3a)
— includes: Parks & Recreation, Real Property, Schools			
Remodeling & Extraordinary Repairs .....	1/21/88	6,610,000	C. 44, s. 7 (3a)
— includes: Fire, Police, Library			
Remodeling & Extraordinary Repairs .....	1/21/88	7,850,000	C. 44, s. 7 (3a)
— includes: Health & Hospitals			
Construction or Reconstruction of Bridges .....	1/21/88	8,605,000	C. 44, s. 7(4)
Construction of Public Ways .....	1/21/88	3,585,000	C. 44, s. 7(5)
Acquisition of Land; Parks & Playgrounds .....	1/21/88	615,000	C. 44, s. 7(20)
— Parks & Recreation — Cemeteries			
Acquisition of Land; Parks & Playgrounds .....	1/21/88	6,565,000	C. 44, s. 7(25)
— Parks & Recreation — Outdoor Facilities			
Capital Improvements — Act of 1973 — Various Departments ...	1/21/88	5,645,000	C. 642, s. 7A Act '66
— includes: Public Works, Parks & Rec., Transport.,			as inserted by:
Public Facil.			C. 1030, Act '73
Urban Renewal — Central Business District .....	1/21/88	550,000	C. 121B, s. 20
Urban Renewal — South End .....	1/21/88	1,340,000	C. 121B, s. 20
Urban Renewal — Waterfront .....	1/21/88	1,550,000	C. 121B, s. 20
School Project Loan — Act of 1948 .....	2/ 1/88	(1,960,000)	C. 645 Act of 1948
—Latin School			
Total Authorizations in fiscal 1988 .....		\$78,000,000	

**Table 24**  
**CITY OF BOSTON AND COUNTY OF SUFFOLK**  
**DEBT INCURRING POWER — WITHIN DEBT LIMIT (Note A)**  
**Year ended June 30, 1988**

Total Debt Incurring Power — within the debt limit (5% of \$22,763,118,000 Equalized Valuation under section 10C of Chapter 58 of the General Laws for use in F'88 and F'89)		\$1,138,155,900
Less Debt Incurring Power Used:		
Debt Outstanding June 30, 1987 (Within Debt Limit) . . . . .	\$ 130,314,294	
Loans Authorized but Unissued June 30, 1987 (Within Debt Limit) . . . . .	152,700,000	
		<u>283,014,294</u>
Debt Incurring Power Available July 1, 1987 . . . . .		<u>\$ 855,141,606</u>
Add:		
Sinking Fund Surplus Available for Debt Retirement . . . . .	63,089	
Debt to be Redeemed July 1, 1987, through June 30, 1988 . . . . .	17,039,629	
		<u>\$ 17,102,718</u>
Less:		
City Council Authorizations July 1, 1987, through June 30, 1988 . . . . .		<u>70,875,000</u>
Debt Incurring Power Within Debt Limit Available for Authorization June 30, 1988 . . . . .		<u>\$ 801,369,324</u>

Note A. Sections 7, 7A, 8 and 10 of Chapter 44 of the General Laws provide that debt for certain specified purposes cannot exceed the debt limit as calculated herein. Debt for certain other purposes can be incurred outside of this limit.



**Table 25**  
**COMBINED SCHEDULE OF BONDS PAYABLE**  
**year ended June 30, 1988**

Serial Bond Issued	Original Amount Issued	Payable to Last Payment Date of:	General Purpose	Economic Development Industrial Corporation	Schools	Parking Facilities	Urban Redevelopment	Water and Sewer	TOTAL
AUGUST 15, 1986 (A) . . . . .	\$58,525,000	8-1-2004	\$ 29,303,083	\$2,233,817	\$ 12,187,427	\$ 211,918	\$14,048,755		\$ 57,985,000
APRIL 15, 1986 . . . . .	65,000,000	5-1-2006	48,420,000	4,440,000	3,985,000		7,030,000		63,875,000
MAY 1, 1985 . . . . .	65,000,000	1-1-1999	22,335,000	750,000	3,310,000		11,295,000		37,690,000
MAY 1, 1984 . . . . .	55,000,000	1-1-1996	20,260,000	720,000	200,000	205,000	2,670,000		24,055,000
SEPTEMBER 1, 1983 . . . . .	30,000,000	8-1-1995	6,590,000		4,280,000		3,300,000		14,170,000
JANUARY 1, 1983 . . . . .	45,000,000	7-1-1992	35,500,000						35,500,000
JUNE 1, 1980 . . . . .	30,000,000	6-1-2000	4,030,000	300,000		6,900,000	790,000		12,020,000
MARCH 1, 1980 . . . . .	25,000,000	3-1-1992	1,475,000	480,000	2,100,000				4,055,000
MAY 1, 1979 . . . . .	55,000,000	5-1-1999	2,835,000	580,000	12,475,000	2,750,000	5,875,000		24,515,000
APRIL 1, 1978 . . . . .	25,000,000	4-1-1998	1,900,000		7,680,000	350,000	800,000		10,730,000
NOVEMBER 1, 1977 . . . . .	40,000,000	11-1-1997	2,045,000		12,500,000	925,000	3,440,000		18,910,000
MARCH 1, 1977 . . . . .	40,000,000	3-1-1997	1,665,000		9,900,000		3,060,000	\$ 120,000	14,745,000
OCTOBER 1, 1976 . . . . .	35,000,000	10-1-1995	720,000		9,680,000		2,725,000	475,000	13,600,000
MARCH 1, 1976 . . . . .	85,000,000	3-1-1996	4,155,000		18,150,000		5,020,000	435,000	27,760,000
APRIL 1, 1975 . . . . .	39,980,000	4-1-1995	6,995,000		4,130,000		2,170,000	385,000	13,680,000
JUNE 1, 1974 . . . . .	43,110,000	6-1-1994	4,080,000		4,725,000		2,380,000	450,000	11,635,000
SEPTEMBER 1, 1973 . . . . .	27,000,000	9-1-1993	2,400,000		3,000,000		1,950,000		7,350,000
DECEMBER 1, 1972 . . . . .	39,000,000	12-1-1992	3,175,000		3,750,000		900,000	400,000	8,225,000
JUNE 1, 1972 . . . . .	45,000,000	6-1-1992	3,480,000		4,700,000				8,180,000
DECEMBER 1, 1971 . . . . .	52,180,000	12-1-1991	1,990,000		4,100,000	400,000	1,300,000		7,790,000
AUGUST 1, 1971 . . . . .	25,000,000	8-1-1991	2,400,000		2,000,000		600,000		5,000,000
DECEMBER 1, 1970 . . . . .	30,000,000	12-1-1990	915,000		1,125,000	90,000	735,000	255,000	3,120,000
AUGUST 1, 1970 . . . . .	20,000,000	8-1-1990	1,200,000		750,000		675,000	75,000	2,700,000
DECEMBER 1, 1969 . . . . .	24,000,000	12-1-1999	890,000		1,220,000	50,000	1,535,000	610,000	4,305,000
AUGUST 1, 1969 . . . . .	15,000,000	8-1-1999	1,660,000		1,980,000		1,400,000		5,040,000
DECEMBER 1, 1968 . . . . .	17,780,000	12-1-1998	685,000		335,000		840,000	25,000	1,910,000
AUGUST 1, 1968 . . . . .	12,150,000	8-1-1993	75,000			25,000			1,020,000
DECEMBER 1, 1967 . . . . .	23,020,000	12-1-1997	1,300,000		300,000	200,000	720,000		2,325,000
AUGUST 1, 1967 . . . . .	9,180,000	8-1-1997	1,650,000						1,650,000
NOVEMBER 1, 1966 . . . . .	18,500,000	11-1-1996	1,170,000						1,170,000
NOVEMBER 1, 1965 . . . . .	12,400,000	11-1-1995	1,080,000						1,080,000
DECEMBER 1, 1964 . . . . .	13,075,000	12-1-1994	175,000						175,000
JUNE 1, 1964 . . . . .	10,640,000	6-1-1994	2,120,000						2,120,000
			\$218,673,083	\$9,503,817	\$128,562,427	\$12,106,918	\$75,983,755	\$3,255,000	\$448,085,000

Rapid Transit Debt . . . . .

(B) 7,493,500

Note A. The "Refunding Loan" of August 15, 1986, refunded certain amounts from four previous Bond Issues:

March 1, 1980: \$5,995,000 • September 1, 1983: \$7,595,000 • May 1, 1984: \$16,150,000 • May 1, 1985: \$18,135,000

\$455,578,500



## **SINGLE AUDIT SECTION**



**CITY OF BOSTON, MASSACHUSETTS**

**Schedule of Federal Financial Assistance  
and Auditors' Reports Required under the  
Single Audit Act of 1984**

**year ended June 30, 1988**

# KPMG Peat Marwick

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## INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

*To the Honorable Mayor and City Council  
City of Boston, Massachusetts.*

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*; issued by the U.S. General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority  
Trustees of Health and Hospitals of the City of Boston, Inc.  
Boston Retirement System  
Economic Development and Industrial Corporation of Boston  
Library Trust Funds

These statements were examined by other auditors. The accompanying schedule of federal financial assistance includes the programs of the City of Boston and County of Suffolk and excludes the federal financial assistance programs of the entities and funds listed above.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Boston, Massachusetts, taken as a whole. The supplementary information included in the accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Peat Marwick Main & Co.*

December 16, 1988.

**CITY OF BOSTON, MASSACHUSETTS**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**year ended June 30, 1988**

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Program or Award Amount	Unexpended Balance (Deficit) 7-1-87	Grant Revenue F.Y. 1988	Expenditures F.Y. 1988	Unexpended Balance (Deficit) 6-30-88	Encumbrances 6-30-88	Unencumbered Balance 6-30-88
U.S. Department of Agriculture (Note 2)								
Passed through State Department of Education:								
Food Distribution .....	10.550	—	—	\$ 621,635	\$ 621,635	—	—	—
School Breakfast and	10.553							
National School Lunch Program .....	10.555	\$101,926,462	\$ 6,029,362	11,950,032	11,469,514	\$ 6,509,880	\$ (194,995)	\$ 6,704,875
Total U.S. Department of Agriculture .....		101,926,462	6,029,362	12,571,667	12,091,149	6,509,880	(194,995)	6,704,875
U.S. Department of Health and Human Services								
Direct Program:								
Acquired Immunodeficiency Syndrome (AIDS) Activity .....	13.118	138,071	—	—	56,197	(56,197)	2,436	(58,633)
Passed through State Department of Elderly Affairs:								
Special Programs for the Aging, Title III. ....	13.633	733,050	203,117	96,902	95,514	204,505	—	204,505
Total U.S. Department of Health and Human Services .....		871,121	203,117	96,902	151,711	148,308	2,436	145,872
U.S. Department of Housing and Urban Development								
Direct Programs:								
Community Development Block Grant-Entitlement .....	14.218	426,103,956	8,551,174	22,167,790	23,111,776	7,607,188	6,899,932	707,256
Urban Development Action Grant .....	14.221	46,384,438	(15,890,146)	5,068,669	5,685,723	(16,507,200)	(5,685,723)	(10,821,477)
Homesteading Program .....	14.222	3,234,458	(3,473,218)	—	—	(3,473,218)	—	(3,473,218)
Fair Housing Assistance Programs .....	14.401	2,006,664	(1,966,199)	66,250	83,782	(1,983,731)	4,921	(1,988,652)
Total U.S. Department of Housing and Urban Development .....		477,729,516	(12,778,389)	27,302,709	28,881,281	(14,356,961)	1,219,130	(15,576,091)
U.S. Department of Interior								
Direct Program:								
Urban Park and Recreation Recovery Program .....	15.919	767,730	6,165	—	20,084	(13,919)	(13,737)	(182)

See accompanying notes to schedule of federal financial assistance.



**CITY OF BOSTON, MASSACHUSETTS**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**year ended June 30, 1988**

Federal CFDA Number	Program or Award Amount	Unexpended Balance (Deficit) 7-1-87	Grant Revenue F.Y. 1988	Expenditures F.Y. 1988	Unexpended Balance (Deficit) 6-30-88	Encumbrances 6-30-88	Unencumbered Balance 6-30-88
	\$	\$	\$	\$	\$	\$	\$
16.574	80,000	(15,418)	30,382	29,578	(14,614)	3,550	(18,164)
<b>U.S. Department of Justice</b>							
<b>Direct Program:</b>							
Criminal Justice Discretionary Grant							
17.130	439,927	1,028,057	(22,909)	—	1,005,148	—	1,005,148
17.207	—	6,041,788	—	6,041,788	—	—	—
17.232	—	46,434	—	46,434	—	—	—
17.235	1,238,979	24,725	267,140	265,178	26,687	—	26,687
17.246	62,940	89,367	22,863	21,434	90,796	(21,434)	112,230
17.250	26,957,172	87,511	6,169,322	6,575,930	(319,097)	(1,381,977)	1,062,880
17.323	—	(7,550,266)	—	(7,550,266)	—	—	—
<b>Total U.S. Department of Labor</b>							
	28,699,018	(232,384)	6,436,416	5,400,498	803,534	(1,403,411)	2,206,945
<b>U.S. Department of the Treasury</b>							
<b>Direct Program:</b>							
21.300	6,747,956	(120,553)	28,945	626,250	(717,858)	—	(717,858)
<b>Action</b>							
<b>Direct Program:</b>							
72.002	317,121	1,933	52,460	64,624	(10,231)	—	(10,231)

See accompanying notes to schedule of federal financial assistance.

**CITY OF BOSTON, MASSACHUSETTS**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**year ended June 30, 1988**

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Program or Award Amount	Unexpended Balance (Deficit) 7-1-87	Grant Revenue F.Y. 1988	Expenditures F.Y. 1988	Unexpended Balance (Deficit) 6-30-88	Encumbrances 6-30-88	Unencumbered Balance 6-30-88
<b>U.S. Department of Energy</b>								
Passed through State Department of Energy:								
Energy Conservation .....	81.041	\$ 1,360,996	\$ 292,364	—	—	\$ 292,364	—	\$ 292,364
Basic Energy Program Analysis and Field Operations Management .....	81.049	150,463	(23,618)	20,600	—	(3,018)	—	(3,018)
Energy Technology Conservation .....	81.051	41,438	14,242	—	(5,930)	20,172	—	20,172
Conservation for Instructional Buildings .....	81.052	109,448	(19,770)	23,301	20,985	(17,454)	(17,625)	171
Total U.S. Department of Energy .....		1,662,345	263,218	43,901	15,055	292,064	(17,625)	309,689
<b>U.S. Department of Education</b>								
Passed through State Department of Education:								
Bilingual Education .....	84.003	5,045,388	(1,284,959)	1,622,939	1,000,692	(662,712)	(21,428)	(641,284)
Education of Handicapped Children .....	84.009	3,310,753	213,125	248,236	795,637	(334,276)	6,455	(340,731)
Educationally Deprived Children, Chapter 1 ..	84.010	77,704,330	3,385,337	11,558,483	14,431,985	511,835	162,934	348,901
Assistance for Education of Handicapped Children .....	84.027	12,271,253	(414,040)	1,309,159	2,439,029	(1,543,910)	(962)	(1,542,948)
Vocational Education .....	84.048	7,380,207	(15,266)	1,048,624	869,219	164,139	(3,394)	167,533
Transition Program for Refugee Children .....	84.146	1,270,466	409,802	—	256,556	153,246	50	153,196
Improving School Programs, Chapter 2 .....	84.151	6,322,868	914,049	1,564,395	1,727,896	750,548	168,784	581,764
Emergency Immigrant Education Assistance ..	84.162	464,930	204,397	—	122,460	81,937	7,042	74,895
State Grants for Strengthening the Skills of Teachers .....	84.164	207,407	10,846	50,000	44,852	15,994	4,003	11,991
Handicapped - Pre-school Incentive Grants .....	84.173	725,518	(208,704)	387,909	212,882	(33,677)	(90,330)	56,653
National Program for Drug-Free Schools and Communities .....	84.184	367,907	—	249,454	257,198	(7,744)	15,671	(23,415)
Total Passed Through State Department of Education .....		\$115,071,027	\$3,214,587	\$18,039,199	\$22,158,406	\$ (904,620)	248,825	(1,153,445)

See accompanying notes to schedule of federal financial assistance.

**CITY OF BOSTON, MASSACHUSETTS**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**year ended June 30, 1988**

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Program or Award Amount	Unexpended Balance (Deficit) 7-1-87	Grant Revenue F.Y. 1988	Expenditures F.Y. 1988	Unexpended Balance (Deficit) 6-30-88	Encumbrances 6-30-88	Unencumbered Balance 6-30-88
<b>Direct Programs:</b>								
School Assistance in Federally Affected Areas .	84.041	\$ 5,017,694	\$ 63,276	\$ 69,647	\$ 1,081	\$ 131,842	\$ (1,121)	\$ 132,963
Indian Education . . . . .	84.060	162,019	2,408	58,609	52,179	8,838	5,385	3,453
Strengthening Research Library Sources . . . . .	84.091	110,000	—	—	—	—	—	—
Total Direct Programs . . . . .		5,289,713	65,684	128,256	53,260	140,680	4,264	136,416
Total U.S. Department of Education . . . . .		120,360,740	3,280,271	18,167,455	22,211,666	(763,940)	253,089	(1,017,029)
<b>National Archives and Records Administration</b>								
Direct Program:								
National Historical Publications . . . . .	89.003	115,001	3,578	—	25	3,553	—	3,553
<b>Additional Federal Assistance</b>								
U.S. Department of Commerce								
Local Public Works . . . . .	—	—	6,980,893	—	—	6,980,893	—	6,980,893
Total Federal Assistance (Note 2) . . . . .		\$739,277,010	\$3,621,793	\$64,730,837	\$69,491,921	\$(1,139,291)	\$(151,563)	\$(987,728)

See accompanying notes to schedule of federal financial assistance.

**CITY OF BOSTON, MASSACHUSETTS**  
**Note to Schedule of Federal Financial Assistance**  
**June 30, 1988**

(1) *Definition of Reporting Entity*

The City reporting entity is defined in note 1 to the City's general purpose financial statements. The accompanying schedule of Federal financial assistance presents only the activity of the Federal financial assistance programs of the oversight entity, the City of Boston, Massachusetts. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

(2) *Summary of Significant Accounting Policies*

The accounting and reporting policies of the Federal financial assistance programs are set forth below:

(a) *Basis of Accounting*

Revenues are recorded when received. Expenditures are recorded when the respective goods and services have been received or rendered.

(b) *School Breakfast/Lunch Program*

Program expenditures for the School Breakfast and National School Lunch programs represent total expenditures for meals provided during the year. The amount of Federal reimbursement of the expenditures was \$7,782,541.

(c) *Food Distribution Program*

Non-cash contributions of commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule.

(3) *Grants Closed-Out*

During fiscal year 1988 the Employment Service and Comprehensive Employment and Training Act Program (CETA) grants were closed-out and the remaining funds returned to the grantor and the CETA - Title I grant fund deficit was closed out by transfer to another fund as follows:

CFDA Number	Description	Total
17.207	Employment Service	\$ 6,041,788
17.232	Comprehensive Employment and Training Act Program	\$ 46,434
17.323	Comprehensive Employment and Training Act Program - Title I	\$(7,550,266)

These amounts have been reflected as expenditures in the schedule of federal financial assistance.

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## INDEPENDENT AUDITOR'S REPORT BASED ON COMPLIANCE AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL

*To the Honorable Mayor and City Council*  
City of Boston, Massachusetts.

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon, dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*; issued by the U.S. General Accounting Office. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority  
Trustees of Health and Hospitals of the City of Boston, Inc.  
Boston Retirement System  
Economic Development and Industrial Corporation of Boston  
Library Trust Funds

These statements were examined by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to compliance at the general purpose financial statement level, is based solely upon the reports of the other auditors.

The management of the City of Boston, Massachusetts, is responsible for the City's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the City's compliance with those laws and regulations for which noncompliance could have a material effect on the City's general purpose financial statements.

The results of our tests and the reports of other auditors indicate that for the transactions and records tested the City of Boston, Massachusetts, complied with those laws and regulations for which noncompliance could have a material effect on the City's general purpose financial statements. With respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the City of Boston, Massachusetts, had not complied with laws and regulations.

*Peat Marwick Main & Co.*

December 16, 1988.



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO MAJOR AND NONMAJOR FINANCIAL ASSISTANCE PROGRAMS

*To the Honorable Mayor and City Council*  
City of Boston, Massachusetts.

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*; issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, *Audits of State and Local Governments*. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority  
Trustees of Health and Hospitals of the City of Boston, Inc.  
Boston Retirement System  
Economic Development and Industrial Corporation of Boston  
Library Trust Funds

These statements were examined by other auditors. This report covers the federal financial assistance programs of the City of Boston and the County of Suffolk and excludes the federal financial assistance programs of the entities and funds listed above.

The management of the City of Boston, Massachusetts, is also responsible for the City's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records from each major federal financial assistance program and certain nonmajor federal financial assistance programs. The purpose of our testing of transactions and records from those federal financial assistance programs was to obtain reasonable assurance that the City of Boston, Massachusetts, had, in all material respects, administered its major programs and executed the tested nonmajor program transactions in compliance with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. Such laws and regulations include those pertaining to federal financial reports and claims for advances and reimbursements.

In our opinion, the City of Boston, Massachusetts, administered each of its major federal financial assistance programs in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures for the year ended June 30, 1988.

Our testing of transactions and records selected from major federal financial assistance programs disclosed instances of noncompliance with certain laws and regulations.

All instances of noncompliance that we found, and the programs to which they relate, are identified in the accompanying schedule of findings and questioned costs, the ultimate resolution of which cannot presently be determined. Accordingly, no provision for any liability that may result upon resolution has been made to the federal financial assistance programs to which they relate. We do not believe these instances of noncompliance could have a material effect on the allowability of program expenditures.

The results of our testing of transactions and records selected from nonmajor federal financial assistance programs indicate that for the transactions and records tested, the City of Boston, Massachusetts, complied with the laws and regulations referred to in the third paragraph of our report, except as described in the accompanying schedule of findings and questioned costs. Our testing was more limited than would be necessary to express an opinion on whether the City of Boston, Massachusetts, administered those programs in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. With respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the City of Boston, Massachusetts, had not complied with laws and regulations other than those laws and regulations for which we noted violations in our testing referred to above.

*Pest Maunich Main & Co.*

December 16, 1988.

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**COMBINED INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING  
AND ADMINISTRATIVE CONTROLS AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL  
AND THE FEDERAL FINANCIAL ASSISTANCE PROGRAM LEVEL**

*To the Honorable Mayor and City Council*  
City of Boston, Massachusetts.

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, *Audits of State and Local Governments*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority  
Trustees of Health and Hospitals of the City of Boston, Inc.  
Boston Retirement System  
Economic Development and Industrial Corporation of Boston  
Library Trust Funds

These statements were examined by other auditors. This report covers the City of Boston and the County of Suffolk and excludes the entities and funds listed above.

The management of the City of Boston, Massachusetts, is also responsible for establishing and maintaining the internal control systems. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; that transactions are executed in accordance with management's authorization; and that data are obtained, recorded and maintained properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and the preparation of federal reports in accordance with federal requirements. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

For purposes of this report, we have classified the significant internal accounting and administrative controls in the following categories:

*Accounting Controls*

- Revenue/receipts
- Purchasing/disbursements
- Payroll

*Administrative Controls*

General Requirements:

- Political Activity
- Davis Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Acquisition
- Federal Financial Reports

Specific Requirements:

- Types of Services
- Eligibility of Costs
- Matching Level of Efforts
- Reporting
- Special Requirements

Our study and evaluation included all the control categories listed above.



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*To the Honorable Raymond L. Flynn, Mayor, City of Boston  
and the Members of the Boston City Council:*

During the year ended June 30, 1988, the City expended 89.2 percent of its total federal financial assistance under major federal financial assistance programs. With respect to internal control systems used in administering major federal financial assistance programs, our study and evaluation included considering the types of errors and the irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal audit control systems used solely in administering the nonmajor federal financial assistance programs, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Accordingly, our audit would not necessarily disclose material weaknesses in the internal systems used in administering nonmajor federal financial assistance programs.

Our study and evaluation, described above, was more limited than would be necessary to express an opinion on the internal control systems of the City of Boston, Massachusetts. Accordingly, we do not express an opinion on internal control systems of the City of Boston, Massachusetts, taken as a whole, or on any of the control categories identified above. However, our study and evaluation and our audit disclosed no condition that we believe to be a material weakness. In our letter to management, we have separately communicated our observations and recommendations regarding certain other matters, including those pertaining to nonmaterial internal control findings.

This report is intended solely for the use of management, the U.S. Department of Education and other applicable government agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Boston, Massachusetts, is a matter of public record.

*Peat Marwick Main & Co.*

December 16, 1988.





Introductory Section

Financial Section

General Fund

Revenue Funds

Projects Funds













